EMPLOYMENT AND TRAINING PROGRAMS FOR VETERANS IN THE DEPARTMENT OF LABOR

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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EMPLOYMENT AND TRAINING PROGRAMS FOR VETERANS IN THE DEPARTMENT OF LABOR

WEDNESDAY, JULY 16, 1986

House of Representatives,
Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs,
Washington, DC.

The subcommittee met, pursuant to call, at 1:30 p.m., in room 334, Cannon House Office Building, Hon. Thomas A. Daschle (chairman of the subcommittee) presiding.

Present: Representatives Daschle, Evans, and Hendon.

OPENING STATEMENT OF CHAIRMAN DASCHLE

Mr. Daschle. The committee will come to order.

I want to welcome our guests and our witnesses. The Subcommittee on Education, Training and Employment is meeting today to review the employment programs for veterans administered by the Department of Labor, and to discuss structural and procedural changes being contemplated by that Department which could affect the delivery of service to veterans and perhaps jeopardize veterans' priority in service delivery.

The Federal assistance of former servicemembers seeking jobs has a long history. By the end of World War I, in 1918, Federal employment agencies faced the task of finding work for returning service personnel.

The need for a public placement service for veterans was recognized and several hundred veteran employment bureaus were set up to expedite job placement. Then in 1928, Congress established the veterans' employment offices in larger metropolitan areas to help veterans find work.

On June 6, 1933, President Roosevelt signed the Wagner-Peyser bill, thus creating a national system of public employment offices and a bureau in the Department of Labor, known as the U.S. Employment Service, to maintain a veteran service devoted to securing employment for veterans.

In 1944 the Serviceman's Readjustment Act, referred to as the GI Bill of Rights, reinforced this structure of veterans' Employment Services. Title IV of this law stated that "policies shall be promulgated and administered so as to provide for them a maximum of job opportunity in the field of gainful employment."

Since that time many laws have been enacted which address veterans' employment problems. This body of legislation has reaffirmed, strengthened, and expanded the Federal Government's role in promoting wider employment and training opportunities for veterans.

Currently, however, the Employment and Training Administration, as part of a continuing review of labor market policies and programs, is turning its attention to Employment Service. Because the Employment Service is the delivery system for DOL veterans' employment programs, we on this subcommittee want to ensure that representatives of our nation's veterans are full participants in the review process regarding the Employment Service.

Chapter 41, Section 2000 of Title 38 of the U.S. Code, makes it clear that alleviating unemployment and underemployment among disabled and Vietnam veterans is a national responsibility. Further, section 2002, establishes that "there shall be an effective (1) job and job training counseling service program, (2) employment placement service, and (3) job training placement service program for eligible veterans . . . administered by an Assistant Secretary of Labor for Veterans Employment . . ." This section further requires that priority be given to the needs of disabled veterans and veterans of the Vietnam-era. This requirement applies to existing programs, the coordination and merger of programs, and the implementation of new ones.

I believe any change in the current structure of the Employment Service, any change in procedures used by the Employment Service relative to job referrals or placements, or any other issues arising which impacts on the delivery of employment related service to veterans must recognize the mandates and requirements of current law. Any changes have to be carefully evaluated before implementation to ensure that the national responsibility to assist veterans in their efforts to find jobs, as described in Title 38, is not in any way undermined.

I also want to emphasis our view as described in Section 2002(A) of Title 38, the Assistant Secretary of Labor for Veterans' Employment is the principal advisor to the Secretary of Labor with respect to the formulation and implementation of all Department of Labor employment, unemployment and training programs to the extent they affect veterans. Thus the ASVE should be consulted and his guidance sought on any issue within the Department which affects veterans.

I have heard some say that because unemployment rates for veterans have dropped, employment programs for veterans are no longer necessary. I want to make it clear that I do not share this view. In June of this year 338,000 Vietnam-era veterans were looking for work. Our responsibility as a nation to assist these veterans is in no way diminished because there are fewer veterans looking for jobs than there were a year ago. Rather, all of us who are in a position to help unemployed veterans should be redoubling our efforts. The fact that there are 338,000 unemployed veterans, in spite of a general improvement in the economy, confirms the necessity for veterans employment and training programs and policies. We all have a part to play.

Today it is the responsibility of this subcommittee to ascertain if the Department of Labor is meeting the challenge of maximum veteran employment as effectively and efficiently as possible.

[The prepared statement of Chairman Daschle appears on p. 25.]

Mr. DASCHLE. We have a great many witnesses testifying on this issue, and we have several questions for each witness. I request unanimous consent that members of the subcommittee be allowed to submit written questions to witnesses following the hearing, and that these questions and responses be included as part of the record.

[See p. 116.]

After we have heard from the distinguished minority member of the subcommittee, Congressman Bob McEwen, we will proceed with our first witness the Honorable Don Shasteen.

Bob is not here.

Mr. Hendon, of course, is here.

We are delighted you are here. We will take your comments at this time.

Mr. HENDON. Thank you, Mr. Chairman.

Thank you for holding this hearing. I am going to as unanimous consent to enter into the record Mr. McEwen's comments. And I think we can proceed.

[The statement of Mr. McEwen appears on p. 30.]

Mr. DASCHLE. Very good.

Our lead witness is the person most directly responsible for veterans programs in the Department of Labor, one who has been on the job now for about a year.

We are delighted you are back. We are pleased to have you as a witness, as well as Mr. Jones and Ms. Meisenger.

STATEMENT OF DONALD E. SHASTEEN, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR; ACCOMPANIED BY: SUSAN MEISENGER, DEPUTY UNDERSECRETARY FOR EMPLOYMENT STANDARDS ADMINISTRATION, U.S. DEPARTMENT OF LABOR, AND ROBERTS T. JONES, DEPUTY ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION, U.S. DEPARTMENT OF LABOR

STATEMENT OF DONALD E. SHASTEEN

Mr. SHASTEEN. Thank you, Mr. Chairman, for the opportunity to appear before this committee. It is good to be back. We welcome the opportunity to review the Department of Labor programs serving veterans.

With me, as you have mentioned, Mr. Chairman, are Ms. Susan Meisenger, the Deputy Undersecretary for Employment Standards; and Mr. Roberts T. Jones, Deputy Assistant Secretary for Employment and Training.

With your permission I will summarize my full statement and submit the full text for the record.

Mr. DASCHLE. Without objection it will be submitted.

Mr. SHASTEEN. It is encouraging, as you mentioned, it is encouraging to note that the unemployment rate for Vietnam veterans, 30 years and over, dropped to 4.7 percent last month, compared with 5.3 percent a year earlier, and further compared with an overall unemployment rate of 7 percent for the nation. We believe, Mr. Chairman, that improvements in the delivery of services, as well as the general improvement in our economy, have contributed to this progress.

We are keenly aware that our job is a long way from complete, when we know from the same monthly data that there are still 338,000 unemployed Vietnam-era veterans, of whom 298,000 are in the 30 to 44 age group. We know from a special survey by the Bureau of Labor Statistics that 156,000 disabled Vietnam veterans are totally out of the workforce, uncounted, discouraged, and in dire need of our assistance. We are continuously working to assist these veterans through existing programs and through improvements in developments of new approaches.

The Veterans' Job Training Act is one of those programs that we can say has helped. As of July 7th, 42,983 veterans have been placed in training positions. With the recent extension of the program, the additional $35 million authorized by the Congress, we expect to be able to place in training positions an additional 11,000 to 12,000 veterans.

I want to compliment the Veterans' Administration for their administration of this program, and the State Employment Service Agencies which have done most of the matching and placement.

Another program which we believe is yielding positive results is the Job Training Partnership Act, Title IV(C). In program year 1985, a total of $7.34 million was made available to the States through the 80 percent competitive process. Eighty-nine grant awards were made out of more than 130 proposals submitted.

Because of the limited amount of Title IV(C) funds, one of the criteria used in deciding awards was the contribution of the cash-match or in-kind services by the applicants. I am pleased to point out that more than $8 million was pledged as a contribution from other fund sources thereby doubling the value of employment and training services provided to veterans in this program.

Twenty percent, as you know, or approximately $2 million of the Title IV(C) funds were set aside under the discretionary account for nationally administered programs. True to the spirit of the act and the implementing regulations, a wide variety of projects has been funded out of the secretary's 20-percent account.

Last year I described the nationwide program we had implemented through which the State of Alabama provides information on a daily basis to each State Employment Service, relative to the award of Federal contracts made in the State. Each State Employment Service has appointed a Federal contractor job listing coordinator, who is responsible for overseeing the utilization of the information to increase listings and placements.

To maximize productivity of the system put in place I notified Employment Service directors and our Veterans' Employment and Training staff that my highest priority objective for program year 1985 was the improvement of the FCJL program. This top priority emphasis will continue as we increase our efforts to make the FCJL program the effective tool that the Congress intended.

We are considering additional approaches which will enable us to provide better information for Federal contractors and State Employment agencies. One of these approaches would be to identify all affiliates and subsidiaries of a contractor, in any location, not just the contract award location. It is estimated that three to four times as many covered hiring locations would be identified by this approach.

I would like also to mention that in March of 1986 we wrote the heads of 51 Federal agencies reminding them of the veterans' affirmative action requirements for Federal contractors, telling them of the importance we place on this program, and enlisting their support in making contactors more aware of their responsibilities. We then sent more detailed letters to the procurement executives in each of these same agencies, providing them a list of the Federal contractor job listing coordinators for each State Employment Service, and a poster for contractors to use in announcing their affirmative action obligations.

Although the letters did not request any reply, more than half of the agencies did respond expressing support of our effort. Many agencies noted concrete actions taken by them to insure that their contractors are aware of and are complying with their veterans' affirmative action responsibility.

We are also including FCJL in our training sessions conducted by field staff and are promoting the program through two national office grants utilizing Employer's National Job Service Committee and instituting an outreach and public information effort that will take place in each State.

There has been considerable interest in the applicant assessment and referral tool known as validity generalization. Considerable research was conducted that explored the validity of the general aptitude test battery as a predictor of an applicant's relative ability to perform and learn jobs.

To develop operational procedures VG is currently being tested in 37 States. It is essential that veterans' preference under VG procedures be maintained. In order to comply with legal and regulatory requirements to insure that veterans' priority in referrals would be observed under VG, we issued a directive on March 7, 1985 to establish procedural guidelines for the Job Service agencies.

Also, to determine how well the VG programs in the pilot States are performing for veterans, we recently conducted a survey of Veterans' Employment and Training Service field staff. We are currently in the process of reviewing and analyzing the responses; at a minimum it appears that there may be a need for more definitive guidelines on how to insure veterans' priority and referral in utilizing VG.

Mr. Chairman, we would be pleased to respond to any questions that you may have.

[The statement of Mr. Shasteen appears on p. 32.]

Thank you, Mr. Shasteen.

Mr. Hendon, do you have any questions?

Mr. HENDON. I have nothing, Mr. Chairman. You go ahead, sir.

Mr. DASCHLE. Are you contemplating any kind of reorganizational effort in the Department of Labor with regard to these programs?

Mr. SHASTEEN. We have underway, or under consideration within our agency, not a reorganization but a restructuring.

Mr. DASCHLE. What is the difference between a reorganization and a restructuring?

Mr. Shasteen. Well, we use the same person, we just cross train. The personnel that are involved in implementing the Veterans' Reemployment Rights Act will be trained as part of a continuing process that began when we first arrived, will be trained in the veterans' employment and training area, and vice versa.

The Assistant State Directors for Veterans' Employment and Training will be trained in greater detail in the Veterans' Reemployment Rights Program, so that we can delegate to each State Director the responsibility for implementing all programs in his State.

At the present time they are sort of divided in responsibility, we feel that it does not provide the strongest administrator. This way the State Director will be responsible for all programs within his State.

Mr. Daschle. What was the motivation for this restructuring?

Mr. Shasteen. Just finally bringing it all together, Mr. Chairman. We inherited the Veterans' Reemployment Rights (VRR) Program from the Labor Management Services Administration within the Department. We brought it to our agency in the latter part of 1983.

They had six Area Directors. We have seven Regional Directors. They then became Assistant Regional Directors for VRR.

We have problems for each region. We have one Assistant Regional Director who is serving three regions, and that person is a Veterans' Reemployment Rights specialist that we acquired from the Labor Management Services.

We are just bringing it all together, cross-training our people so that we can make better use of the personnel in the field.

Mr. Daschle. Are you taking away the specificity that some of these had with regard to responsibilities for veterans?

Mr. Shasteen. Not at all. We are broadening them so that the assistant State Directors can do some of the investigating under the direction of the State Director that is involved in the VRR program.

Instead of having to move VRR agents as we do today, from one State to another, we can conduct all of the initial investigation at least within the State. If we need an expert from the outside then the State Director can call one in.

Today we just don't have that kind of flexibility and travel funds, and the direction of the program in most States actually comes out of the regional office, rather than out of the State.

Mr. Daschle. In any way would this restructuring represent to somebody in the veterans' community a degradation in service?

Mr. Shasteen. I don't feel it would. We have disclosed this to the veterans' organizations. We have asked them for their comments. We have sent our own field personnel a proposal for their consideration, and we asked for their comments.

So we haven't really carried it out yet. It is still in the proposal form.

I feel from a management standpoint that we need to move in that direction. Exactly how we do it is still being determined.

Mr. Daschle. Well, I should tell you there is some apprehension out there about this plan. I am going to be very interested to see as it progresses, just what the ultimate response of our veterans' organizations will be.

In essence what you are saying is that you are consolidating a lot of these responsibilities, and in so consolidating, giving certain people broader responsibilities with regard to employment. Is that it?

Mr. **Shasteen**. We are giving certain people the capability of performing broader responsibilities. Certainly our Assistant State Directors today already field many questions in their regular work on the Veterans' Reemployment Rights Program.

We feel they need to know more about it so that they don't have to refer those questions to other people. They can stop and do the initial investigation themselves rather than report to somebody else and have somebody else come in from the outside and do it. We think it would be more efficient that way.

It is not designed in any way to interfere with the work that the Assistant State Directors do in evaluating offices of the Job Service, which is their principal responsibility. Today many of those questions on veterans' reemployment rights issues come to our people from DVOPs and LVERs.

We feel that our Assistant State Director should be able to answer those questions and help veterans directly, rather than to have to refer them someplace else.

Mr. **Daschle**. Mr. Jones, I am told that there will be some dramatic changes to the Employment Service. What can you share with us on that?

Mr. **Jones**. Mr. Chairman, I don't know that there will be any changes at all. To this date, there are no proposals under formal or informal consideration. Nothing has been suggested.

Secondly, the questions that we have raised don't really go to organizational structure or services at all. They relate to an examination the secretary is undertaking, that you are familiar with, as to what the labor market will look like in the next 10 or 20 years, the kinds of interesting things that are going to happen in this country, and whether or not the services we have as an agency and as a country are designed to effectively help people into the jobs that are going to be there. That includes across-the-board Employment Service, unemployment insurance, JTPA, welfare, education, everything. Our issues are fairly broad and fairly substantive in nature.

Mr. **Daschle**. Have you personally met with veterans' organizations to discuss these things?

Mr. **Jones**. No; not yet. We have just begun this issue, we just announced it here a few weeks ago and just started the process of examining. It will go on for several months.

We will meet with those organizations. We will meet with everybody that is involved.

Mr. **Daschle**. Have you invited them to a meeting?

Mr. **Jones**. They are involved in several work groups that we have established. They have asked to be involved in some others. They will be appointed to the others.

We will attend any meetings that they would like to join that conversation. They also have input through several other routes.

But so far, no formal or structural process is even in place for doing that. But I assure you as we go through it two things will occur. First, there will probably be very little impact of such a discussion in terms of the legal ramifications of serving veterans through that system. Whatever system or whatever proposals that get put in place, those issues will be maintained no matter what, in whatever way we have to.

Secondly, whenever we get close to even suggesting what the issues and the questions and the concerns might be, they will be taken directly to those organizations and worked out and shared with them all the way through the process.

Mr. **Daschle**. What are the options you are now considering?

Mr. **Jones**. None.

Mr. **Daschle**. Excuse me?

Mr. **Jones**. None, we have no options, Mr. Chairman, on the table at all. We are simply inviting people in and beginning the process of asking questions of comparing labor market data and projections for the future, and whether or not the systems we have are effectively going to serve people, veterans, in——

Mr. **Daschle**. Well, I should ask you the same thing I asked Mr. Shasteen; what were your motivations in doing so?

Mr. **Jones**. I think the motivation is fairly clear, Mr. Chairman. It is our intent to make sure that we are doing everything we can through our systems to ensure that people are put into jobs as they are available. And if our system isn't set up to effectively do that, we may need to make changes.

The system was designed some 30 or 40 years ago and the labor market is changing rather substantially. We have one of the most unique opportunities this country has ever seen coming up in the future.

There is likely to be a shrinking labor force and increasing number of jobs, and the ability we have to put all veterans to work, all unemployed people to work, is going to become more and more evident. What we want to do is to make sure that the system that is there is responsive to that.

I think we share that with the committee. We will examine everything to make sure that is what it is able to do. And if, in fact, changes are recommended by such a review, then we will propose them and work them out.

But we don't go into it under any presumption that one has to change anything; it may be the best thing going. But it is appropriate to ask whether we are getting the most we can for the dollars we invest and, if, in fact, the system that is there is responsive to the kinds of behavior that we are faced with in the next 5 or 10 years. But I assure you, to this date no options have been put forward, no discussions are underway on specific designs.

Mr. **Daschle**. In reading from the statement of Mr. Shasteen on page 40, it says, with respect to the question of evolvement, the future organization role of the Employment Service is currently under active review by the Department. And then it says, "a wide range of policy options is being considered." That doesn't jell very well with what you just said.

You said there are no options. But now it says that you are considering a wide range of options. Maybe you should elaborate on what those options are.

Mr. **Jones**. I will let me Shasteen do that.

Mr. DASCHLE. What are these options?

Mr. SHASTEEN. Mr. Chairman, I am sorry, I don't know. This is a statement that was submitted by me in behalf of the Department, and this was the portion that came to us from the Employment and Training Administration.

Mr. DASCHLE. That is Mr. Jones, right?

Mr. JONES. Mr. Chairman, I assure that I would be happy to provide whatever you would like for the record——

Mr. DASCHLE. No; that is not good enough.

Mr. JONES. We didn't put any options——

Mr. DASCHLE. You have got to be able to tell me what the options are if you have got it in your formal statement that has already been made a part of the record.

Mr. JONES. I am suggesting to you, sir, that the Department has put forward no options for consideration. All we have done is to invite—we will be happy to share with you any information that you would like—people to come in and begin to examine the broad range of issues that are involved in such a discussion.

Mr. DASCHLE. It sounds like the case of the missing options.

I can't accept that. You, personally, or somebody wrote this; who wrote this section? Did you write it?

Mr. JONES. No, sir.

Mr. DASCHLE. Who wrote it?

Mr. JONES. I suspect it was written in the legislative or congressional office, I don't know. I can't attest to that.

If we have made a mistake in the phraseology then we will acknowledge that mistake. But I do think it is appropriate for the Department to assure the chairman and the members of the veterans' community that there isn't an agenda of options or anything else, merely by raising the issue of the role of the Employment Service along with other functions that we have for serving unemployed people in this country.

When we get to that point we will share them not only with the committee, but with everyone for a comment, and discussion, and everything else, but we haven't even gotten to that point. We have barely announced the beginning of the discussion.

Mr. DASCHLE. Well, somebody obviously feels that you have got some options.

How can you put in a formal statement that a wide range of policy options are being considered, and then come to me and say that you don't even have one option, you have no options? That is kind of an inexplicit——

Mr. JONES. Well, I don't think it something that we should debate about. I am happy to admit it is a mistake.

I suspect that the language is a euphemism, a wide range of options means an open agenda to us. If that is how the language is used, so be it. We apologize for that.

But I think the point of your question is a very important and serious one. We don't have an agenda. We have not put forward suggestions as to which way it ought to go or any piece of it.

There is no such thing in terms of its totality anyway. The Employment Service is made up a variety of very important functions that one would have to look at, and those are the issues that we are concerned about.

Mr. DASCHLE. I would ask that as these options develop, and as the Department continues to proceed, that we be given a periodic report. We could hold a hearing or we could do the report. But certainly I would like a periodic report on your progress.

We certainly will be talking to the veterans' organizations this afternoon.

Mr. JONES. I will be happy to share with you anything all the way along, and receive the input of the committee and the reviews on anything that is open for discussion.

Mr. DASCHLE. You personally have no direction that you are trying to steer the Employment Service?

Mr. JONES. No; quite the contrary. As I say, this is not an Employment Service issue.

This goes far beyond the Employment Service and it is a very important and very valid conversation that we are engaged in across the board, that relates to the kinds of things that we see coming up down the road and whether or not we are able to address them. I think that is a very important issue. Whether or not we centralize or decentralize, or whether you do all these functions one way or another has no relationship at this point.

Mr. DASCHLE. The VFW, in their testimony later on will say that they are so concerned about this that they view even the possibility of the elimination of the Assistant Secretary of Veterans' Employment and Training as an option that may be weighed.

Would you be able to provide an assurance to the committee this afternoon that this panel would oppose any option such as that?

Mr. JONES. I would be happy to make the assurance that we would oppose it, and that the discussion underway has nothing to do with organizational alignments, internal or external, or in any other way. The dialog has something to do with the continuing rate of dislocated workers and the necessity for returning them to the workforce, and whether the system we have in place as an employment exchange is designed to best serve that.

Whether they are unemployment recipients, dislocated workers, disadvantaged youth, or veterans, our concern is that the amount of dislocation in the labor market, along with job opportunities in the labor market, are probably not well matched. And those are the systemic issues that we are concerned with. It has nothing whatsoever to do with those other kinds of issues.

I will go further, Mr. Chairman, I think probably the word you mentioned in the beginning is an important one, and a very unfortunate one as well, "devolution" is a very broad, undefined concept that has been kicked around for a couple of years.

I think it also is a euphemism for passing authority back to the States. That is primarily an unemployment insurance discussion.

At various points the Employment Service has been included or not included in such dialogs. The fear that many organizations have is that the system would be turned over to the States, and therefore some of the protections in it for veterans would be lost. I think this is the basis of some of their concerns.

I share that concern with them. I will make assurances to you that whether or not you provide more State control or State flexibility in some functions or another, the Department's view would be to continue the protection of the veterans' programs along with several other things that are mandated in that system no matter what.

Again, the issues for us are not structural or organizational. It is a broad nationwide system of employment exchange we are concerned about.

Mr. DASCHLE. I thank the three of you for coming this afternoon. We have some additional questions we would like to submit in writing.

Thank you.

Mr. JONES. Thank you.

[The questions and responses appear on p. 116.]

Mr. DASCHLE. Our next panel includes Dr. Doctor Robert David, chairman of the Veterans' Affairs Committee, Interstate Conference of Employment Security Agencies, and Executive Director of the South Carolina Employment Security Commission; Mr. James Lowe, the Deputy Commissioner of the Georgia Department of Labor; and Mr. Alan AuBuchon, the Assistant Director for Employment of the Missouri Division of Employment Security.

STATEMENT OF ROBERT E. DAVID, CHAIRMAN OF THE VETERANS' AFFAIRS COMMITTEE, INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES AND EXECUTIVE DIRECTOR OF THE SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION; ACCOMPANIED BY JAMES A. LOWE, DEPUTY COMMISSIONER, GEORGIA DEPARTMENT OF LABOR; AND ALAN AUBUCHON, ASSISTANT DIRECTOR FOR EMPLOYMENT SERVICES OPERATIONS, MISSOURI DIVISION OF EMPLOYMENT SECURITY

STATEMENT OF ROBERT E. DAVID

Mr. DAVID. Mr. Chairman, members of the subcommittee, my name is Robert David. I am executive director of the South Carolina Employment Security Commission and chairman of the Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies, better know as ICESA.

ICESA is the national organization of Administrators of the Employment Service and Unemployment Insurance Program in each of the 50 States, the District of Columbia, Puerto Rico and the Virgin Islands.

Accompanying me today are two members of our Veterans' Affairs Committee: Mr. James Lowe, Deputy Commissioner of the Georgia Department of Labor and Mr. Alan AuBuchon, Assistant Director of Employment Services for the State of Missouri.

We appreciate the opportunity to appear before you today to present our views on a number of veterans' employment and training issues of concern to this subcommittee.

I will briefly summarize our testimony and leave with you a full copy which we request to be entered into the record.

Mr. DASCHLE. Without objection.

Mr. DAVID. There are five items that I will be addressing. First is the Federal Contractor Job Listing Program.

We would like to say that we have noticed improvements in this area since we last spoke to you. We still believe that the Federal enforcement is the key to making the program work.

Discussions within our Veterans' Affairs Committee reveal an increase in activities by OFCCP staff who review Employment Service records concerning our job listings, referrals, and hires. While this is encouraging, we believe a continuing problem is that most Federal contractors are not fully instructed of their responsibilities under section 2012 at the time of the award. When the initial contact is made by our staff with the contractors, in most cases, it is the first time they are learning of their responsibilities under the law and we do feel that significant improvements should be made in this area.

The second item is devolution of the Employment Service. "Devolution" or "devolvement" are terms that mean different things to different groups. When the concept was first introduced several years ago, by an official in OMB, the primary and most controversial feature was the transfer of responsibility from the Federal Government to the State governments, for raising administrative funds for the employment security programs.

It appears that the original proposal has evolved into an effort by the Department of Labor to reform administrative financing of the employment security system, focusing on the unemployment insurance program. The Employment Service Program is presently under comprehensive review by the Employment and Training Administration, through a myriad roundtables, workgroups, and consultation groups. We anticipate some firm recommendations before the end of this calendar year.

Some of our members support the concept with certain modifications or guarantees, while others have major reservations about transferring the administrative taxing responsibilities to the States.

We recommend substantially greater involvement by the ASVET in this extensive review and reform process, as well as veterans' organizations which seem to have been relegated a minor role although other organizations apparently have been extensively involved.

The next item is validity generalization, better known as VG. The Veterans' Affairs Committee of ICESA has monitored VG implementation with special emphasis on veterans' preference. However, it is important to recognize that VG is still in an experimental mode with the majority of the States continuing to test different implementation designs.

VG has the potential to increase the involvement of the private sector in Employment Service Programs. We are encouraged by this. However, are also concerned that our special responsibilities for veterans continue to be fulfilled in an effective and efficient manner. Towards this goal, our committee will continue to monitor this innovative approach to service delivery.

The next item is the Job Training Partnership Act (JTPA). Within the JTPA statute, veterans are not targeted for any special consideration except under Title IV, part C, which comprises less than three-tenths of 1 percent of all JTPA funds.

While a significant portion of the funds for JTPA must be expended on youth employment initiatives, Title IIA, and especially Title III program can do more to focus on the special employment and training needs of veterans. For this to become reality, however, the Department of Labor must first make JTPA administrators aware that a problem actually exists and that we have a national commitment to helping veterans. To be effective this entire issue must be addressed by both the Assistant Secretary for ETA and the Assistant Secretary for ASVET.

The last item, Mr. Chairman, concerns local veterans' employment representatives and Disabled Veterans' Outreach Program specialists. The most significant issue facing these programs today is not programmatic but rather funding.

State administrators find that there are insufficient funds to support the statutorily required number of staff as well as overhead costs. We have had to use scarce Wagner-Peyser resources to meet the objectives of these programs, but this fund source has also been declining over the years, constraining the overall basic labor exchange function in each State.

We request of this subcommittee, that this situation be remedied.

Mr. Chairman, that concludes my prepared statement. We would be pleased to respond to any questions that you may have at this time.

[The statement of Mr. David appears on p. 66.]

Mr. DASCHLE. Thank you, Mr. David.

Mr. Hendon?

Mr. HENDON. I have no questions, Mr. Chairman.

Mr. DASCHLE. Mr. Evans?

Mr. EVANS. No questions.

Mr. DASCHLE. We have some questions that we will submit to you for the record.

Mr. DAVID. Thank you.

Mr. DASCHLE. Thank you, Mr. David.

[The questions and responses appear on p. 170.]

Mr. DASCHLE. Our next witness is Mr. Paul Egan, the Deputy Director of the National Legislative Commission, the American Legion; Mr. Dennis Rhoades, Director, National Economics Commission, the American Legion; Mr. James Bourie, National Service Director of AMVETS; and Mr. Ronald Drach, National Employment Director of DAV.

STATEMENTS OF PAUL EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; DENNIS RHOADES, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION; JAMES BOURIE, NATIONAL SERVICE, DIRECTOR, AMVETS; AND RONALD DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. EGAN. Mr. Chairman, Dennis Rhoades, the Director of our Economic Division, will summarize our remarks for you. Each of us is prepared to answer any questions.

Mr. DASCHLE. Very good.

Mr. Rhoades?

STATEMENT OF DENNIS RHOADES

Mr. RHOADES. Thank you, Mr. Chairman. I want to congratulate you on the timing of this hearing. I think the timing is very critical, given the kind of schedule that ETA is pursuing in developing these "nonexistent" options.

I believe we are going to see some major changes in the Employment Service. I congratulate you, and want to express our organization's appreciation for your interest in this matter.

What we have heard so far in this hearing concerns the very health and stability of the Federal Government's employment program for veterans, as articulated by chapters 41 and 42 of Title 38. We are not talking about specific reports or procedures; we are talking about the whole system and what it may mean for veterans in the coming decade.

Unfortunately, in dealing with this issue, I don't have to tell you, Mr. Chairman, the Labor Department's responsibility towards veterans has been one that it has assumed reluctantly, at least since I have been associated with this issue, as far back as the early 1970s. There appears to be an institutional resistance on the part of the agency for one of its major charges, which is the implementation of Title 38.

The agency basically views its responsibility as the discharge of Title 29. Title 38 has too often been ignored or treated in a desultory fashion. Moreover, the clear intent of Congress, to deal with veterans employment problems, is one of the Labor Department's major roles, and yet has often been bypassed in favor of other more immediate imperatives in the Department's estimation.

It is our view that the Department of Labor has rarely considered its veterans' responsibilities in implementing new legislation, or in developing new programs for veterans. The Job Training Partnership Act is a prime example of that.

We have witnessed, basically, a devolution of the employment training system over the last 15 years, where we started with MDTA, Manpower Development and Training Act, which was Federally controlled. Some of MDTA's power was shifted to the States and local communities under CETA. Now the Federal Government basically puts the money on the block and runs as far as the Job Training Partnership Act is concerned.

I am not saying that this is necessarily bad, systemically, but I think the problem is that when you do turn complete control over to States and local government to run employment programs, you end up with the abolition of veterans' preference.

If you examine JTPA, you will scarcely find a dozen programs funded for veterans which are not leveraged,—bribed, if you will—with Title IV(C) monies.

We have a long way to go. The American Legion was very concerned when we found out earlier this year that the Department of Labor was going to turn to the employment security system and to that system in the same way.

By the way, it was interesting to note that Mr. Jones left after his testimony. He really needs to sit here and listen to what the veterans' community has to say, and what the ES administrators here, like Jack David, have to say.

I don't need to tell you, Mr. Chairman, that Wagner-Peyser has been the keystone of the Department of Labor's veterans' employment programs. I also don't need to tell you that once Federal control is abandoned, that veteran's preference is going to go out the window.

None of us here in this room are fooled for one minute by the Department of Labor's contention that any change that is being contemplated for the Employment Service is going to have a minimal impact on veterans. As a matter of fact, the Legion believes it will be devastating.

What we are likely to end up with is a congressional mandate for the Department of Labor's responsibility for veterans' employments programs and, in fact, no veterans' employment programs over which the Labor Department has any control. And, of course, at that point, you have to wonder what is going to happen to the ASVET with basically nothing to do.

We are very concerned that there has been no veteran consultation on this matter to date. It is true that two of my colleagues, Ron Drach and Rick Weidman, have been appointed recently to the work groups that ETA has pulled together.

But I might point out to you, Mr. Chairman, first of all, that none of those groups has met subsequent to Mr. Weidman, or Mr. Drach's being appointment. Second, that those those groups have had prior meetings, all of which raises an interesting question: If they were having these prior meetings and there were no options on the table, what were they discussing at these meetings?

The veterans' community has never been gathered together as a whole to participate in this process, to say we are looking at the Employment Service; we want to improve it; here are some of the options we are looking at now; what do you think? That is the kind of process that we are trying to get together.

In the middle of June, the national commander of the American Legion wrote Secretary Brock to this effect. We recently—well, day before yesterday—met with the Undersecretary of Labor, Dennis Whitfield, and reached agreement with Mr. Whitfield that veterans' organizations would be represented on all five work groups of the Employment Service consultation group that ETA has for me. Furthermore, a special subcommittee of the Secretary's Committee on Veterans' Affairs would be formed to serve as a clearinghouse and processing center, to develop an overall set of recommendations for ETA, the Assistant Secretary for Veterans' Employment and Training, and the Secretary of Labor to consider. I hope this is now going to happen.

Mr. Chairman, we must all do some thinking. There are some major changes that are going to go on in the employment training system. The kind of system we have now is rapidly deteriorating, in and of itself, even without DOL's help. That will to be the big challenge before this committee, the veterans' organizations, and the 100th Congress.

Thank you.

[The statement of Mr. Egan and Mr. Rhoades appears on p. 71.]

Mr. DASCHLE. Thank you, Mr. Rhoades.

Mr. Bourie?

STATEMENT OF JAMES BOURIE

Mr. BOURIE. Thank you, Mr. Chairman, AMVETS certainly appreciates the opportunity to be here. I will summarize my statement and request that the full text be published.

It is rather appropriate to take a look at veterans' employment training programs at this time. We don't hold the idea that there is no need for continuing employment training for veterans.

We just don't buy that argument. We don't see it. And BLS's own study on disabled veterans, released March 31, 1986, which concluded that Vietnam veterans have a more difficult time in the labor market than other veterans' groups. This is especially true for those with service connected disabilities.

The unemployment situation for minorities, who are Vietnam veterans, is over 14 percent, over 60 percent who are Native Americans, who are veterans. This is substantiated in part by a 2-year nationwide public forum conducted by the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped.

AMVETS participated in most of them and heard first hand of the difficulties veterans encountered in finding both Federal and private sector employment.

When veterans' employment training programs are discussed we, of course, look to the Department of Labor's Office of Assistant Secretary for Veteran's Employment to serve as the principal advisor on veterans' employment training issues under chapter 41 and 42 of Title 38. And for that office to fully comply with those mandates it must be fully funded and staffed.

In fiscal year 1987, that office budget is proposed at $13.1 million, to support 279 personnel at the national State levels. An amount AMVETS feels is only adequate; and again travel funds have been cut.

Further, a recent management meeting with the regional directors, one agenda item was how a 20-percent cut to the staff might be effectuated. Currently, that office is involved in a variety of veterans' employment training programs and initiatives; not all of them in our view will greatly aid veterans.

Mr. Jones mentioned about the committees, and such—AMVETS has never been contacted by ETA with respect to any of those committees, any options, as elusive as they may be, any reorganization.

On the reorganization plan, as far as Mr. Shasteen's office is concerned, I have talked to five or six State directors throughout the system in casual conversation, they know nothing about a reorganization plan. The first they heard about it was when we started talking about it.

So, I disagree with Mr. Jones' remarks on options, meetings, and involving the veterans' community. I think it is all just smoke, to be perfectly honest with you.

One program we certainly look at with a little jaundice view is the Homeless Veterans' Program. It seems that the OASVET has priority with respect to political heat, whichever program or issue is hot, that is the one he devotes time to, or one that is devoted time to, and resources also.

Rather than looking at long-range planning on addressing some of these issues, we think the money that is devoted to homeless veterans could be better spent getting some of these who are long-term unemployed, who want jobs, back into the job market.

Another program is the Veterans' Jobs Training Program which is essentially an OJT program. But our concern there, and we certainly agree and supported the program, is that less than 10 percent of the veterans have been placed in jobs. What are the other 90 percent, what are they doing? What kind of programs do they need? What kind of outreach and placement is being given to those veterans?

I am afraid to say that very little is being devoted to those. Some of them are the hard core. I called 2 years ago, the State director was in, and he said, you know, some of these people that I see cannot read. They can't read a ruler. They are simply not job ready.

I think that philosophy may apply to the Jobs Training Partnership Act. Particularly devastating is Title IV(C). It is meager. It is worthless. It is meaningless as far as veterans' employment training programs are concerned. Little of substance can be accomplished out there.

If we look at the grants, most of them are outreach, public information, going to the job service, while veterans have been going into the job service for 30, 40 or 50 years. We need programs out there, outreach, placement, training.

Another program we take strong exception to, or issue with, is the Office of Federal Contract Compliance Programs. That has always been a thorn in our side, regardless of what OFCCP says, State directors tell us otherwise.

In some areas there has been some activity, little activity. In other parts of the country, absolutely no activity as far as contractors, Federal contractors, and so on.

The DVOP, both the DVOP—I will try to be as brief as possible—both the LVER and DVOP program is up for grabs at this point. It is most vulnerable and it wouldn't surprise us at all if Labor and OMB have laid plans for their elimination.

We subscribe to the theory that OMB tells Mr. Shasteen how much money he is going to have, and he has got to cook the numbers and come up to that magic mark. It is not a matter of complying with the law. I don't think the law has anything to do with the amount of funding for DVOPs and LVERs.

But, again, I think they the most vulnerable in the system. The same way with the whole VETS, I think in time that is also up for grabs, there are tremendous changes in the delivery system.

If we look at VG, validity generalization, little is done on veterans' priority, veterans' preference in validity generalization.

Devolvement was talked about, also. I think if the States were to run their own job service—and I am not going to get into that issue—I think you are going to see a lot of States that will just treat veterans as any other group that walks through the door for intake purposes. I don't think that it would be a wise more turn it over to the States and let them run their own veterans' priority.

So, having said that, I will stop, and thank you very much.

[The statement of Mr. Bourie appears on p. 83.]

Mr. DASCHLE. As those listening to the bells may understand, there is a vote on. So, at this time the subcommittee will stand in recess and pick up with Mr. Drach as soon as I get back.

[Recess.]

Mr. DASCHLE. The subcommittee will resume its hearing. We will begin with Mr. Drach.

STATEMENT OF RONALD DRACH

Mr. DRACH. Thank you, Mr. Chairman. I, too, would like to echo the comments of my colleagues on thanking you for having these hearings on a very timely basis.

I am not too sure what I can say that has not been said before over the past 10 years. The faces have changed, the names have changed, the dates have changed, but regrettably too many of the issues still remain the same.

It was pointed out earlier by Mr. Shasteen that perhaps we have come a long way on the issue of Vietnam veterans, or Vietnam-era veterans' unemployment statistics. We feel that the unemployment rate is considerably lower than it has been. But I heard something that perked my ears up this morning as I was getting ready to go to work, on the CBS Morning News. The economists are predicting another recession.

If you track Vietnam veterans' unemployment data over the last 15 years, you will note that every time we have a recession Vietnam veterans' unemployment skyrockets. Back in 1980, I think it went from about 398,000, which Mr. Shasteen pointed out this afternoon, to about 875,000 in less than 6 months.

So, I caution us to look very closely and watch that and see what happens to those data. I shouldn't say, "those data," "those people," over the next several months if we do indeed come into a recession.

I am going to focus a little bit more specifically on the recent survey of disabled veterans, that was not talked about very much by Mr. Shasteen, in the Bureau of Labor Statistics data. As you may know the data on disabled veterans came about primarily because the DAV pushed for it; we requested it; we indicated that there has never been any official studies on disabled veterans.

There are no official unemployment rates. Finally, BLS agreed that they would include disabled veterans in their data.

I would also like to point out some of the hidden statistics, some of the hidden percentages. The official unemployment rate for Vietnam theater veterans with disabilities is 9.2 percent.

That doesn't seem too bad when taken in the whole context of unemployment within the Nation. But what is not reported, or not talked about very much is that 19 percent of those individuals aren't even looking for a job; aren't even counted as being unemployed. So we are talking about 9.2 percent of only 81 percent of all the veterans in that particular category.

Even more disturbing is the percentage of the more severely disabled veterans not in the labor force, who have given up looking for employment for whatever reason. A full 67 percent of those disabled Vietnam-era veterans, who are rated 60 percent or higher, are not even looking for a job.

They have dropped out for whatever reasons, we are not really sure. Each and everyone of those individuals by virtue of being unemployed, and the severity of their disability, the percentage indicates to us that they have prima facie eligibility for Voc Rehab under the VA.

That led us to request some help from Mr. Turnage, the current Administrator, on looking out or reaching out to those disabled veterans to see what the VA can do, and to take a more active lead role in addressing the needs of these disabled veterans.

We have also asked Mr. Shasteen to renew the efforts of the DVOP, or rededicate their efforts to serving nothing but the disabled veterans.

I would like to quote, if I may, from Janet Norwood, which appeared in the Wall Street Journal on December 6, 1985. "We tend to look for aggregate solutions, and pay too little attention to the need for the particular solutions for particular groups."

I submit to you, Mr. Chairman, that nothing was mentioned by Mr. Shasteen, or Mr. Jones, or anyone else, about trying to solve the particular problems of this particular group, the service-connected disabled veteran.

This has led us also to ask ourselves, can we, or should we continue to support a system that for more than 20 years has failed to address the needs of service-connected disabled veterans?

We are going to our national convention Sunday and we will be looking at that issue and looking at resolutions, and asking those hard questions: Should we indeed, support this system that has not supported the service-connected disabled veterans?

I would like to talk about just briefly, the annual report that was discussed last year that is required of Federal contractors. An advance notice of proposed rulemaking was finally published on May 28, 1986, with a deadline for comment of June 28, 1986. And I would like to point out that they are well beyond the 90-day mandate that was enacted in 1982 for those regulatory changes, and they are still not in final form.

I see my time is up.

I did just want to talk just briefly about OFCCP, but the record, my entire text talks about the problems that continue unabated in OFCCP, and I think we need to look at those a little closer and a little harder.

Thank you very much.

[The statement of Mr. Drach appears on p. 98.]

Mr. DASCHLE. Thank you, Mr. Drach.

Gentlemen, I appreciate your testimony very much.

Did Mr. McEwen, or Mr. Hendon have some questions they wanted submitted for the record?

Mr. SMITH. Yes, sir, they do have questions.

Mr. DASCHLE. Without objection they will be submitted.

We have some questions we will submit, and we would hope that you can answer them at your convenience.

Thank you very much.

[The questions and responses appear on p. 164.]

Our final panel is Mr. Dennis Cullinan, special assistant, National Legislative Service, VFW; Mr. Robert Jones, special assistant for employment; Mr. John Mesmore, the chairman of the National Economics Affairs Committee of the National Board, and a National Board Member of the Vietnam Veterans of America; and Mr. Rick Weidman, director of government relations of VVA.

Mr. Mesmore is not here?

Mr. WEIDMAN. My apologies he wasn't able to come in, Mr. Chairman.

Mr. DASCHLE. Why don't we start then with Mr. Cullinan.

STATEMENT OF DENNIS CULLINAN

Mr. CULLINAN. Thank you, Mr. Chairman. Accompanying me today is Mr. Bob Jones, our veterans employment specialist, who is on hand to contribute to the discussion and answer any questions you may have.

On behalf of the Veterans of Foreign Wars I would like to thank you for this opportunity to present our views on this most important matter.

In light of the fact that my written statement has been entered into the record, I will attempt to encapsulate the VFW's position on these many various issues by now presenting a series of proposed actions which we feel would enhance the effectiveness of veterans' employment programs.

The Veterans of Foreign Wars sees the need for standardization of veterans' priority of referral throughout the U.S. Employment Service, particularly in offices that have instituted validity generalization. We see the need for a TAG field memorandum on proper test procedures for disabled veterans and veterans' validity generalization process.

We see the need for disinterested analysis of the effectiveness of JTPA Title IV(C) programs. We see the need for a longitudinal study concerning Vietnam veterans' employment, 1964 to the present with emphasis on combat, theater, disabled, and minority veterans. We would like to see the ASVET prioritize and focus its efforts in order to achieve maximum effectiveness of the program with the limited dollars available.

The VFW sees a need for a national and regional forum to address veterans' employment issues. We see the need for closer inter-agency coordination between the activities of the Office of the Assistant Secretary for Veterans' Employment and Training, and the Employment and Training Administration.

The Job Partnership Training Act should be amended to included a statement that provides for a veterans' advocate being appointed to the private industry council and State jobs training coordinating council. JTPA should provide priority of services to veterans within the specifically defined targeted groups.

The Office of the Assistant Secretary for Veterans' Employment and Training should conduct realistic LVER/DVOP training; provide a technical assistant guide to its staff and provide a field operations manual. We see the need for the assistant secretary to conduct an aggressive public information program to promote awareness of veterans' employment in training issues amongst the private sector.

He should develop talking papers, a speakers bureau, videos and so forth, to be disseminated throughout the private sector organizations. The Office of the Assistant Secretary for Veterans' Employment and Training should provide an organizational chart that clearly shows organizational structure, numbers of individuals authorized, assigned veterans' status, and disabled veterans' status.

The Office of the Assistant Secretary for Veterans' Employment and Training should form a task force that consists of a staff of veterans' organizations to develop strategic plans for the delivery of Employment Services to veterans, present to 1995.

And finally, we see the need for increased emphasis to be placed upon the mission functions and utilization of LVERs and DVOPs. If required, these individuals should be Federalized and placed under the direct supervision of the ASVET. The Veterans' Affairs Committee should sequential jurisdiction over programs conducted under the auspices of JTPA.

Thank you, Mr. Chairman.

[The statement of Mr. Cullinan appears on p. 106.]

Mr. DASCHLE. Thank you, Mr. Cullinan.

Mr. Weidman?

STATEMENT OF RICK WEIDMAN

Mr. WEIDMAN. Mr. Chairman, I wish to particularly thank you for this opportunity to appear before the committee today and for having these hearings. This is, of course, as you know, the Vietnam Veterans of America's first opportunity to appear before this subcommittee as a veterans' service organization chartered by the Congress of the United States. So it is a particularly poignant day.

I wish to thank you for your strong support, as well as that of Chairman Montgomery, through that difficult 3-year period, where we lost many battles but we picked up and won the war. Perhaps after this morning we will do that again.

Mr. DASCHLE. Don't hold your breath.

Mr. WEIDMAN. The key, it seems to the Vietnam Veterans of America, Mr. Chairman, when it comes to getting things on track down at the Department of Labor, is the direct and personal involvement of the Secretary of Labor. There was a good deal of testimony today that all revolved around what is the Assistant Secretary of Labor for Veterans' Employment and Training going to do. There are all sorts of recommendations about that.

But the point of the matter is, and the salient point is that—to paraphrase George Orwell—all Assistant Secretaries are not equal. They are ostensibly all equal, but some Assistant Secretaries are more equal.

Unfortunately, that Assistant Secretary responsible for veterans' employment and training is a heck of a lot less equal than the Assistant Secretary for Employment and Training Administration, where a lot of the service delivery takes place.

If the Secretary of Labor doesn't move to a direct involvement in these issues to change, not just the way the in which the dollars flow but, frankly, a lot of the attitudes in the Department of Labor toward veterans in general, its Vietnam and disabled veterans in particular, there is nothing of merit that is going to happen. All the initiatives in the world that come down from Capitol Hill as polished silver arrows, from the Hill, will hit that 10,000 pound cube of lime jello down there, and disappear with nary a trace.

In terms of specific recommendations that we would suggest for your consideration, Mr. Chairman, first and foremost is that the Department of Labor be required to conduct regular, meaning at least once a year, and recurring surveys of the unemployment difficulties among disabled veterans and Vietnam theater veterans.

Secondly, that the Congress issue what is essentially a dictum to give them (DOL) 1 year to put together a management plan that makes some sense in terms of long-range planning. There are lot of good initiatives, but it basically all comes to naught because there is no long-range plan.

Third is that the public commitment made in December 1983 to produce a desk-reference manual for all DVOPs and LVERs, who, in fact, are the line troops in this operation. If they are not doing it it doesn't matter what discussion might take place either in this room or down at the Francis Perkins Building, if it is not happening in Boise, Idaho, if it is not happening out there in the local Employment Service office, it is not happening, number one.

And number two, it is our contention that the average DVOP and LVER is basically still out there "reinventing the wheel" with virtually no training in how to go out and enlarge the pool of jobs that he or she has to work with, and perform the basics of his or her job, and is receiving relatively little support within the system.

Fourth, as to control and support of DVOPs/LVERs, it is totally dependent, and the disparity from State-to-State is, I think, as you are well aware, Mr. Chairman, very wide. You take a State like the State of North Carolina and the veterans' employment and training system is, in fact, a system.

There is strong support throughout the political structure in that State, and right down to the DVOP level there is a commitment to veterans. That is not the case in many other States.

There is such a difference in degree as to be a difference in kind. But there is no measurement of the State Employment Service. And there is no reward in that some of them just disobey the law with impunity.

That needs to brought under control. It wasn't by accident that within our statement that was submitted for the record today, Mr. Chairman, we put quotes around the term "system." It is not really a system. It is not an integrated system.

The Assistant Secretary of Labor for Veterans' Employment and Training by no means has the authority commensurate with his responsibility.

Fifth, VVA would respectfully suggest that the committee direct anything and everything possible be done to insure that Veterans' Job Training Act funds are fully expended, that are appropriated now for the life of the program.

Sixth, that management information systems and what they are going to do to actually find out what is going on in their "systems" be tightened up, and that DOL report back to this body before the end of this fiscal year.

Seven, that evaluation of a comprehensive nature be done within the Veterans' Employment and Training Service to find out—which no one has ever done, to our knowledge—what are the percentage of job referrals that actually come off the ES computer or microfiche that are used by DVOP and LVER to do actual placements?

Nobody has ever asked that question. And in many cases among the good DVOPs and LVERs, they have their own hip-pocket pool, and that is what is really working.

Eighth is that labor for over 2 years now has been talking about a computerized job bank, but hasn't quite yet figured out how to put out an RFP on the street for competitive bid. We would suggest that they be urged to do so.

Recommendation No. 9 is that in light of the disabled vet, Vietnam theater vet study, that this committee, Mr. Chairman, ask the Veterans' Employment and Training Service, specifically, how they are going to more tightly focus their efforts on the individuals who are, in fact, experiencing most of the problems.

And last, but not least, Mr. Chairman, we would suggest to you that it might be appropriate to write to the Secretary of Labor and urge his direct involvement in between those quarterly Secretary's Committee on Veterans' Employment meetintgs, and including a full review within the Labor Department of, not just policies, but the attitudes evidenced by key policymakers towards Vietnam and disabled vets, and all vets in general.

Mr. Chairman, I know I have gone over my time and I thank you for your forebearance.

[The statement of Mr. Weidman appears on p. 111.]

Mr. Daschle. You are more than welcome. We are delighted that you have received your charter.

I know I speak for every member on this committee and certainly on this subcommittee in wishing you well. I hope that you can return many times and share with us the benefit of your thinking and that of the VVA.

Did Mr. McEwen or Mr. Hendon have any additional questions to be asked of this panel?

Mr. Smith. No, sir.

Mr. Daschle. Well, if there are no other questions I would like to insert some questions specifically for the record for you to answer.

With that, we want to thank you for coming this afternoon.

Mr. Weidman. Thank you, Mr. Chairman.

[VVA's response to written committee questions was not received at time of publication.]

Mr. Daschle. I want to thank all of our witnesses for appearing this afternoon. This issue certainly won't go away. It is an issue we are going to watch with a great deal of interest, involvement, and oversight for as long as I am chairman.

I meant it very sincerely when I asked that a periodic report be given as to the status of those missing options and the so-called devolvement. That won't evade this committee's attention. To the extent that any witness this afternoon can share with the committee whatever further information they have on these issues, we will convene this subcommittee at any time to insure that proper oversight is maintained.

I openly invite the constant vigilance of those witnesses and those interested individuals to insure that proper oversight is guaranteed. I would also ask unanimous consent that each member of this subcommittee have 7 legislative days in which to advice and extend their remarks, and that all questions be responded to within 1 month.

With that, the committee stands adjourned.

[Whereupon, at 3 p.m., the hearing adjourned.]

APPENDIX

STATEMENT OF HONORABLE TOM DASCHLE, CHAIRMAN

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OVERSIGHT HEARING TO REVIEW VETERANS' EMPLOYMENT AND TRAINING PROGRAMS ADMINISTERED BY THE DEPARTMENT OF LABOR

JULY 16, 1986 - 334 CANNON HOB - 1:30 PM

THE SUBCOMMITTEE WILL COME TO ORDER.

WELCOME, LADIES AND GENTLEMEN. THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT IS MEETING TODAY TO REVIEW EMPLOYMENT PROGRAMS FOR VETERANS ADMINISTERED BY THE DEPARTMENT OF LABOR AND TO DISCUSS STRUCTURAL AND PROCEDURAL CHANGES BEING CONTEMPLATED BY THAT DEPARTMENT WHICH COULD AFFECT THE DELIVERY OF SERVICE TO VETERANS AND JEOPARDIZE VETERANS PRIORITY IN SERVICE DELIVERY.

FEDERAL ASSISTANCE FOR FORMER SERVICEMEMBERS SEEKING JOBS HAS A LONG HISTORY. BY THE END OF WORLD WAR I IN 1918, FEDERAL EMPLOYMENT AGENCIES FACED THE TASK OF FINDING WORK FOR RETURNING SERVICE PERSONNEL. THE NEED FOR A PUBLIC PLACEMENT SERVICE FOR VETERANS WAS RECOGNIZED, AND SEVERAL HUNDRED VETERAN EMPLOYMENT BUREAUS WERE SET UP TO EXPEDITE JOB PLACEMENT. THEN, IN 1928, CONGRESS ESTABLISHED VETERAN EMPLOYMENT OFFICES IN LARGER METROPOLITAN AREAS TO HELP VETERANS FIND WORK.

ON JUNE 6, 1933, PRESIDENT ROOSEVELT SIGNED THE WAGNER-PEYSER BILL INTO LAW, THUS CREATING A NATIONAL SYSTEM OF PUBLIC EMPLOYMENT OFFICES AND A BUREAU IN THE DEPARTMENT OF LABOR KNOWN AS THE U.S. EMPLOYMENT SERVICE (USES), "...TO MAINTAIN A VETERANS' SERVICE TO BE DEVOTED TO SECURING EMPLOYMENT FOR VETERANS...."

IN 1944, THE SERVICEMEN'S READJUSTMENT ACT, REFERRED TO AS THE GI BILL OF RIGHTS, REINFORCED THE STRUCTURE OF THE VETERANS EMPLOYMENT SERVICE (VES). TITLE IV OF THIS LAW STATED THAT..."POLICIES SHALL BE PROMULGATED AND ADMINISTERED SO AS TO PROVIDE FOR THEM [VETERANS] A MAXIMUM OF JOB OPPORTUNITY IN THE FIELD OF GAINFUL EMPLOYMENT."

SINCE THAT TIME, MANY LAWS HAVE BEEN ENACTED WHICH ADDRESS VETERANS' EMPLOYMENT PROBLEMS. THIS BODY OF LEGISLATION HAS REAFFIRMED, STRENGTHENED, AND EXPANDED THE FEDERAL GOVERNMENT'S ROLE IN PROMOTING WIDER EMPLOYMENT AND TRAINING OPPORTUNITIES FOR VETERANS.

CURRENTLY, HOWEVER, THE EMPLOYMENT AND TRAINING ADMINISTRATION, AS PART OF A CONTINUING REVIEW OF MAJOR LABOR MARKET POLICIES AND PROGRAMS, IS TURNING ITS ATTENTION TO THE EMPLOYMENT SERVICE. BECAUSE THE EMPLOYMENT SERVICE IS THE DELIVERY SYSTEM FOR DOL VETERANS' EMPLOYMENT PROGRAMS, WE ON THIS SUBCOMMITTEE WANT TO ENSURE THAT REPRESENTATIVES OF OUR NATION'S VETERANS ARE FULL PARTICIPANTS IN THE REVIEW PROCESS REGARDING THE EMPLOYMENT SERVICE.

CHAPTER 41, SECTION 2000 OF TITLE 38, UNITED STATES CODE, MAKES IT CLEAR THAT ALLEVIATING UNEMPLOYMENT AND UNDEREMPLOYMENT AMONG DISABLED AND VIETNAM ERA VETERANS IS A **NATIONAL RESPONSIBILITY**. FURTHER, SECTION 2002 ESTABLISHES THAT "THERE **SHALL** BE AN EFFECTIVE (1) JOB AND JOB TRAINING COUNSELING SERVICE PROGRAM, (2) EMPLOYMENT PLACEMENT SERVICE PROGRAM, AND (3) JOB TRAINING PLACEMENT SERVICE PROGRAM FOR ELIGIBLE VETERANS...ADMINISTERED BY AN ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT..." THIS SECTION FURTHER REQUIRES THAT PRIORITY BE GIVEN TO THE NEEDS OF DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA. THIS REQUIREMENT APPLIES TO EXISTING PROGRAMS, THE COORDINATION AND MERGER OF PROGRAMS AND THE IMPLEMENTATION OF NEW PROGRAMS.

I BELIEVE ANY CHANGE IN THE CURRENT STRUCTURE OF THE EMPLOYMENT SERVICE, ANY CHANGE IN PROCEDURES USED BY THE EMPLOYMENT SERVICE RELATIVE TO JOB REFERRALS OR JOB PLACEMENTS, OR ANY OTHER ISSUE ARISING WHICH IMPACTS ON THE DELIVERY OF EMPLOYMENT-RELATED SERVICES TO VETERANS MUST RECOGNIZE THE MANDATES AND REQUIREMENTS OF CURRENT LAW. ANY CHANGES MUST BE CAREFULLY EVALUATED BEFORE IMPLEMENTATION TO ENSURE THAT THE NATIONAL RESPONSIBILITY TO ASSIST VETERANS IN THEIR EFFORTS TO FIND JOBS, AS DESCRIBED IN TITLE 38, IS NOT IN ANY WAY UNDERMINED.

I ALSO WANT TO EMPHASIZE OUR VIEW THAT, AS DESCRIBED IN SECTION 2002A OF TITLE 38, USC, THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT IS THE PRINCIPAL ADVISOR TO THE SECRETARY OF LABOR WITH RESPECT TO THE FORMULATION AND IMPLEMENTATION OF **ALL DEPARTMENT OF LABOR EMPLOYMENT, UNEMPLOYMENT, AND TRAINING PROGRAMS TO THE EXTENT THEY AFFECT VETERANS**. THUS, THE ASVE [AS-V] SHOULD BE CONSULTED AND HIS GUIDANCE SOUGHT ON ANY ISSUE WITHIN THE DEPARTMENT WHICH AFFECTS VETERANS.

I'VE HEARD SOME SAY THAT BECAUSE THE UNEMPLOYMENT RATE FOR VETERANS HAS DROPPED, EMPLOYMENT PROGRAMS FOR VETERANS ARE NO LONGER NECESSARY. I WANT TO MAKE IT CLEAR THAT I DO NOT SHARE THIS VIEW. IN JUNE OF THIS YEAR, 338,000 VIETNAM ERA VETERANS WERE LOOKING FOR WORK. OUR RESPONSIBILITY AS A NATION TO ASSIST THESE VETERANS IS IN NO WAY DIMINISHED BECAUSE THERE ARE FEWER VETERANS LOOKING FOR JOBS THAN THERE WERE A YEAR AGO. RATHER, ALL OF US WHO ARE IN A POSITION TO HELP UNEMPLOYED VETERANS SHOULD REDOUBLE OUR EFFORTS. THE FACT OF 338,000 UNEMPLOYED VIETNAM ERA VETERANS, IN SPITE OF A GENERAL IMPROVEMENT IN THE ECONOMY, CONFIRMS THE NECESSITY FOR VETERANS EMPLOYMENT AND TRAINING PROGRAMS AND POLICIES. WE ALL HAVE A PART TO PLAY, BE WE MEMBERS OF CONGRESS OR DEPARTMENT OF LABOR EMPLOYEES OR MEMBERS OF A VETERANS ORGANIZATION.

TODAY, IT IS THE RESPONSIBILITY OF THIS SUBCOMMITTEE TO ASCERTAIN IF THE DEPARTMENT OF LABOR IS MEETING THE CHALLENGE OF MAXIMUM VETERAN EMPLOYMENT AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE. WE HAVE A GREAT MANY WITNESSES TESTIFYING ON THIS ISSUE AND WE HAVE SEVERAL QUESTIONS FOR EACH WITNESS. I REQUEST UNANIMOUS CONSENT THAT MEMBERS OF THIS SUBCOMMITTEE BE ALLOWED TO SUBMIT WRITTEN QUESTIONS TO WITNESSES FOLLOWING THE HEARING AND THAT THESE QUESTIONS AND THE RESPONSES BE INCLUDED IN THE PRINTED HEARING RECORD.

REMARKS BY THE HONORABLE BOB MCEWEN BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT

JULY 16, 1986

THANK YOU, MR. CHAIRMAN.

I COMMEND YOU FOR CALLING THIS HEARING FOR REVIEW OF VETERANS' EMPLOYMENT AND TRAINING PROGRAMS BY THE DEPARTMENT OF LABOR. THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT, AS IS ITS RESPONSIBILITY, HAS BEEN CAREFULLY MONITORING THE DEPARTMENT OF LABOR'S CONDUCT OF STATUTORILY MANDATED PROGRAMS FOR VETERANS.

BUDGETARY TIMES ARE NOT THE BEST, HOWEVER, WE WANT TO BE SURE THAT VETERANS ARE GETTING A FAIR SHAKE FROM DOL, AND THAT THE INTENT OF CONGRESS IS BEING CARRIED OUT.

THE WRITTEN STATEMENTS OF VETERANS' ORGANIZATION REPRESENTATIVES ARE QUITE CRITICAL OF SEVERAL ASPECTS OF DOL VETERANS' EMPLOYMENT PROGRAMS. ARE VETERANS AN UNWANTED STEPCHILD OF THE DEPARTMENT OF LABOR? AND, WHERE DO VETERANS FIT IN WITH THIS NEW CONCEPT CALLED "DEVOLVEMENT" IN EMPLOYMENT SERVICES?

THESE ARE AMONG THE IMPORTANT QUESTIONS WE HAVE TODAY. WITH WITNESSES FROM THE VETERANS' COMMUNITY, THE DEPARTMENT OF LABOR, AND STATE-LEVEL EMPLOYMENT ORGANIZATIONS, WE SHOULD BE ABLE TO SHED SOME LIGHT ON THESE QUESTIONS.

THANK YOU, MR. CHAIRMAN.

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS

July 16, 1986

Mr. Chairman and members of the Committee, on behalf of Secretary Brock, we express our appreciation for the opportunity to testify on what the Department of Labor has done and is doing for our nation's veterans through our delivery systems and programs. In your letter of invitation, Mr. Chairman, you requested that we specifically address the Federal Contractor Job Listing program, the Job Training Partnership Act as it affects veterans, validity generalization, "devolvement" of the Employment Service, the Disabled Veterans' Outreach Program, and the status of Local Veterans' Employment Representatives. These areas are addressed in the text of my statement. For easy reference, the major portion of my statement is in a report format to allow easy reference to any subject in which the reader is interested. I would like to note Mr. Chairman, that the employment situation for Vietnam-era veterans has improved markedly over the last several years. The most recent data available (June 1986) show for Vietnam-era veterans, 30 years and over, an unemployment rate of 4.7 percent (338,000), compared with 5.3 percent (381,000) a year earlier.

For Vietnam-era veterans aged 30 to 44 the unemployment rate was 4.9 percent (298,000) compared to 5.4 percent (939,000) for nonveterans of the same age group. We believe, Mr. chairman, that improvements in the delivery of services as well as the general improvement in our economy have contributed to this progress. The following report, Mr. Chairman, provides a detailed account of our programs.

VETERANS SERVICES IN PROGRAM YEAR 1985 AND FISCAL YEARS 1985 AND 1986

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INTRODUCTION

The Department of Labor is involved in a variety of programs and activities to assist veterans in finding jobs and training opportunities. The Assistant Secretary for Veterans' Employment and Training is the principal advisor to the Secretary of Labor in the formulation and implementation of all Department policies and procedures affecting veterans.

Grants are awarded by the Assistant Secretary under Title IV, Part C, of the Job Training Partnership Act for special veterans' employment programs. Other grants are awarded to the States for conduct of the Disabled Veterans' Outreach Program and the Local Veterans' Employment Representative program through the State Job Services. General oversight of the services provided to veterans through the State Job Service system is also provided by the field staff of the Veterans' Employment and Training Service, administered by the Assistant Secretary. Another of the primary functions of the Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) is to administer the veterans' reemployment rights program to help restore jobs, seniority and pension rights to veterans following absences from the workplace for military service. Other OASVET activities include involvement in providing management assistance and training in conduct of a national veterans' outreach and public information program and promotion of compliance by Federal contractors with veterans' affirmative action legislative requirements.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The Veterans' Employment and Training Service (VETS) directs the Department of Labor's veterans' employment and training programs. VETS carries out its responsibilities through a nationwide network that includes Regional, State, and Assistant

State Directors for Veterans' Employment and Training Service; Assistant Regional Directors, Regional Agents and Area Agents for Veterans' Reemployment Rights; and clerical support staff. The field staff works closely with and provides technical assistance to State Job Services and Job Training Partnership Act (JTPA) grant recipients to help ensure that veterans are provided priority services required by law. Other functions performed by VETS field staff include coordination with employers, labor unions, and veteran and community organizations.

During fiscal year 1985, VETS field staff made 1,409 evaluations of large Job Service local offices, 356 evaluations of small offices and 2,115 management assistance visits to outstationed Disabled Veterans' Outreach Program (DVOP) specialists. To promote veteran participation in JTPA, Title IV-C, staff carried out 744 visits to JTPA grantees. In addition, 659 visits involving JTPA grants were made for purposes of providing technical assistance, grant monitoring, or participation in regional review panels. In the area of veterans' reemployment rights, the field staff assisted nearly 260,000 veterans and employers, opened 1,982 individual cases and referred 40 cases to the Department of Justice.

VETERANS' JOB TRAINING ACT PROGRAM

The Emergency Veterans' Job Training Act of 1983 (Public Law 98-77), which established a veterans' training program conducted through cooperative efforts of the Department of Labor and the Veterans Administration, was extended by Public Law 99-238 on January 13, 1986, and renamed the Veterans' Job Training Act (VJTA).

The program continues to aim at reducing long-term unemployment among Korean and Vietnam-era veterans by reimbursing employers 50 percent of starting wages, up to a maximum of $10,000, for each veteran hired for a permanent job requiring significant training. The Office of the Assistant Secretary for Veterans' Employment and Training, through the Veterans' Employment and Training Service field staff and State Job Services, conducts public information programs, outreach activities, and matches certified veterans with approved employers. The Veterans Administration is responsible for certifying the eligibility of veterans for the program for providing employment counseling to assist veterans in selecting suitable training programs, for approval of employer training programs, and for making payments to employers.

However, the new legislation made several significant changes to the program. The previous requirement of unemployment for 15 of the past 20 weeks was revised downward to 10 of the past 15 weeks, making many more veterans eligible for the program. It also reopened the period that a veteran can apply for certification of eligibility until January 3, 1987.

The newest feature of the VJTA program is the "case manager" concept. State Job Service agencies, Disabled Veterans' Outreach Program and Local Veterans' Employment Representative staff take individual responsibility for ensuring follow-up contacts with new VJTA participants.

Part of this monthly contact includes informing the participating veterans and employers of the availability of counseling services through the Job Service and the Veterans Administration. Furthermore, the veteran and the employer are encouraged to request such counseling services and assistance.

As a result of the Veterans' Job Training Act, as of July 7, 1986, 42,983 veterans have been placed in training positions with an opportunity for meaningful training. With the recent extension of the program and the additional $35 million which Congress authorized for the Veterans' Job Training Act, we expect to be able to place in training positions an additional 11 to 12 thousand veterans.

At this time we are not able to report on the effects of the "case manager" approach. This effort will require some time to study in order to determine the full impact of this approach.

JOB TRAINING PARTNERSHIP ACT (JTPA) TITLE IV-C GRANTS

Title IV, Part C of the Job Training Partnership Act, requires the Secretary of Labor through the Assistant Secretary for Veterans' Employment and Training to conduct programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans recently separated from military service. The enhancement of ongoing services on behalf of veterans, the provision of employment and training services where veterans are not being adequately served, and outreach and public information to develop and promote maximum job and training activities, are all specific goals of this title. In line with this, coordination and consultation with the Administrator of Veterans' Affairs is specifically required by Title IV-C.

Because this is a national program, with relatively limited funding, several key items are in the regulations that promote effectiveness and efficiency. These are:

1) At least 80% of the funds are made available to the States.

2) Each State receives an allocation of the available funds by use of a formula based on the relative number of

Vietnam-era and disabled veterans in each State. A $50,000 minimum is guaranteed for States with smaller veteran populations.

3) A competitive process is used to distribute funds within a State to the highest rated proposals. Both States and Service Delivery Areas (SDAs) are eligible to apply for the funds. Rating criteria and program information are contained in a Solicitation for Grant Applications (SGA) which is issued annually to each eligible applicant, all States and SDAs. Review and rating of proposals is performed at the Regional level by an independent panel.

4) Not more than 20 percent of the funds available each year are set aside for research and development activities, demonstration projects, providing technical assistance and training, support for programs that are national in nature, and to support other veterans' employment and training efforts as deemed appropriate.

With the issuance of the 80% SGA for Program Year 1985 (July 1, 1985 - June 30, 1986), the Veterans' Employment and Training Service brought Title IV-C more closely in line with the Program Year funding cycle for the majority of JTPA programs. The SGA was issued in March, 1985, and most awards were made between July 1, 1985, and September 30, 1985.

In Program Year 1985, a total of $7.34 million was made available to the States through the 80 percent competitive process. Eighty-nine grant awards were made out of over 130 proposals that were submitted.

One of the criteria used in the evaluation and selection process was the contribution of a cash match or in-kind services.

Emphasis on the provision of a cash match or in-kind services was considered particularly important given the limited Title IV-C funds. In Program Year 1985, over $8 million was pledged as a contribution from other fund sources to provide employment and training services to veterans.

Twenty percent, or $1.933 million, of the Title IV-C funds were set aside under the Secretary's discretionary account. True to the spirit of the Act and the implementing regulations, a wide variety of projects have been funded out of the Secretary's 20% account.

In Program Year 1985, major projects were funded with organizations dealing with blinded veterans, and organizations and firms specializing in the provision of employment and training services to minority veterans. Demographic research is being done regarding the employment and training needs of Indian veterans. In conjunction with the Small Business Administration (SBA) through an Interagency Agreement, a national Indian organization is also promoting self-employment as a viable option for Indian veterans. SBA is also working with the Department of Labor (DOL) in implementing an innovative entrepreneurship training project utilizing the expertise of State technical education colleges. A special project was launched to train disabled veterans in high technology occupations, resulting in high-paying jobs. With the Department of Defense, a separation briefing and orientation project has been initiated. Materials developed under this project can be used at all military separation centers, and should lead to new veterans acquiring civilian jobs much sooner than usual, with a subsequent drop in unemployment insurance claims. Also, realizing that women veterans now number over 1,150,000, the OASVET and the Women's Bureau have developed a demonstration program addressing the post military employment needs of women veterans. As has been done for the previous program years, we will be issuing a compendium of Title IV-C programs funded in program year 1985 (July 1, 1985 - June 30, 1986).

LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES (LVER)

The Veterans' Employment and Training Service (VETS) provides funds to State Employment Security Agencies (SESAs) to ensure that there is local supervision of Job Service staff in carrying out the provision of service to veterans in employment and job training programs. Title 20, Code of Federal Regulations, Section 652.123, requires one full-time LVER in each Job Service office which had 1,000 or more veteran applications in the preceding 12-month reporting period and a part-time LVER in proportion to the full-time criteria in the other offices. The appropriation for Fiscal Year 1986 was $52,705,000, funding 1,359 positions.

LVERs, in cooperation with VETS staff, assure that local offices of the SESA are in compliance with Federal regulations, performance standards, and grant agreements. They maintain regular contact with employers, labor unions, veteran organizations, community agencies and veteran advocacy groups promoting and facilitating assistance to eligible veterans. For the first three quarters of Program Year 1985 (July 1, 1985 - March 31, 1986), the LVERs were instrumental in the SESAs providing service to 2,343,361 veterans. Of these, 1,057,680 were Vietnam-era veterans and 118,040 were disabled veterans. They also contributed to the placement of 362,228 veterans in the first three quarters of Program Year 1985.

DISABLED VETERANS' OUTREACH PROGRAM (DVOP)

Funds are provided through formula grants to State Employment Security Agencies (SESAs) to support a Disabled Veterans' Outreach Program (DVOP) designed to meet the employment needs of veterans, especially disabled Vietnam-era veterans. Each SESA is to appoint one DVOP specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in the State. Twenty-five percent of those specialists are outstationed at centers established through agreements with the State, the Veterans Administration and the Veterans' Employment and Training Service (VETS). The appropriation for Fiscal Year 1986 was $62,112,000, funding 1,824 positions.

Each DVOP specialist is to provide services only to eligible veterans in accordance with the priorities established in 38 U.S.C. 2003A. These services include referral and placement in jobs and job training opportunities, promotion and development of on-the-job training and apprenticeship positions with employers, the provision of outreach assistance through community agency groups and organizations, and counseling, testing and job development necessary to assist eligible veterans in overcoming their employment problems. During the first three quarters of Program Year 1985, DVOP staff contributed significantly to the placement of more than 167,111 Vietnam-era veterans and 22,242 disabled veterans, 8,700 of which had a Veterans Administration disability rating of 30% or more.

SERVICES TO VETERANS THROUGH THE JOB SERVICE
Program Year 1985

In the first three quarters of Program Year 1985, the Job Service provided a significant level of services to veterans and other applicants. One of the most meaningful services provided to veterans is placement in a job. During the period cited, veterans placed comprised about 13.5% of total applicants placed. Of the 2,343,361 total veteran applicants, 362,228 or about 15.5% of them were placed. Vietnam-era veterans were placed at a rate of about 15.8% and disabled veterans at about an 18.8% rate. These service levels indicate that the Job Services will accomplish their planned performance standards for priority services to veterans for the full program year.

The following tables contain data on services to veterans for the first three quarters of Program Year 1985 (July 1, 1985 - March 31, 1986).

TOTAL APPLICANTS
THROUGH THIRD QUARTER PROGRAM YEAR 1985
(JULY 1, 1985 - MARCH 31, 1986)

	TOTAL	TOTAL VETERANS	VIETNAM VETERANS	DISABLED VETERANS	SPECIAL DISABLED VETERANS
NATIONAL TOTAL	16,906,284	2,343,361	1,057,680	118,040	43,288
REGION 1 TOTAL	677,556	84,708	33,344	4,423	1,376
CONNECTICUT	217,895	27,229	9,790	1,317	316
MAINE	128,186	15,124	6,646	601	244
MASSACHUSETTS	183,064	23,395	9,170	1,278	390
NEW HAMPSHIRE	42,292	7,913	3,178	656	269
RHODE ISLAND	52,375	4,553	1,804	280	64
VERMONT	53,744	6,494	2,756	291	93
REGION 2 TOTAL	1,481,226	162,862	61,605	9,089	3,067
NEW JERSEY	424,342	40,223	14,792	2,886	881
NEW YORK	862,368	111,004	42,991	5,387	1,979
PUERTO RICO	183,403	11,079	3,662	795	207
VIRGIN ISLANDS	11,113	556	160	21	0
REGION 3 TOTAL	1,557,268	228,014	97,284	10,570	3,815
DELAWARE	28,107	4,649	2,048	275	112
DISTRICT OF COLUMBIA	99,469	8,180	3,616	528	222
MARYLAND	200,631	26,453	11,277	1,482	483
PENNSYLVANIA	851,606	127,8[illegible]	52,207	4,976	1,787
VIRGINIA	250,032	39,589	17,589	2,191	770
WEST VIRGINIA	127,423	21,295	10,547	1,118	441
REGION 4 TOTAL	3,228,946	398,134	180,204	24,732	9,330
ALABAMA	382,841	45,505	20,785	2,399	985
FLORIDA	653,454	90,128	38,862	7,124	2,492
GEORGIA	401,186	43,074	19,648	3,250	1,250
KENTUCKY	241,095	34,270	16,549	1,751	661
MISSISSIPPI	324,310	31,077	14,246	1,281	557
NORTH CAROLINA	553,760	77,632	34,325	4,887	1,872
SOUTH CAROLINA	293,109	36,712	16,738	2,136	825
TENNESSEE	379,183	39,736	19,051	1,904	688
REGION 5 TOTAL	3,459,734	501,768	217,946	19,302	6,243
ILLINOIS	713,075	100,886	41,293	3,281	1,096
INDIANA	442,063	70,668	32,107	2,250	844
MICHIGAN	633,015	98,724	43,108	2,986	926
MINNESOTA	334,862	46,127	20,534	2,402	508
OHIO	947,987	133,218	57,952	5,118	1,725
WISCONSIN	388,732	52,145	22,952	3,265	1,144

REGION 6 TOTAL	2,419,283	329,489	162,887	17,061	7,282
ARKANSAS	287,209	37,468	18,318	2,421	1,340
LOUISIANA	351,166	40,115	20,098	1,233	423
NEW MEXICO	132,440	20,168	9,276	1,137	301
OKLAHOMA	340,419	54,700	28,071	3,039	1,301
TEXAS	1,308,049	177,038	87,124	9,231	3,917
REGION 7 TOTAL	1,177,451	154,194	69,863	4,568	1,639
IOWA	304,685	35,586	15,883	1,156	347
KANSAS	197,571	25,753	12,103	1,183	514
MISSOURI	556,601	77,006	34,704	1,631	576
NEBRASKA	118,594	15,849	7,173	598	202
REGION 8 TOTAL	727,193	104,634	50,759	5,667	1,824
COLORADO	217,350	36,611	17,985	2,176	751
MONTANA	122,237	19,166	9,420	886	325
NORTH DAKOTA	79,129	8,963	4,321	430	146
SOUTH DAKOTA	88,111	10,664	4,531	608	150
UTAH	152,731	17,771	8,674	902	237
WYOMING	67,635	11,459	5,828	665	215
REGION 9 TOTAL	1,427,147	245,664	116,596	15,463	6,099
ARIZONA	339,806	57,087	26,659	2,626	1,107
CALIFORNIA	923,080	160,700	76,840	11,525	4,475
HAWAII	78,914	11,523	5,207	504	224
NEVADA	85,347	16,354	7,890	808	293
REGION 10 TOTAL	750,480	133,894	67,192	7,165	2,613
ALASKA	86,664	16,441	8,516	927	316
IDAHO	125,196	19,489	9,419	978	297
OREGON	228,507	39,088	19,369	1,577	630
WASHINGTON	310,113	58,876	29,888	3,683	1,370

INDIVIDUALS COUNSELED
THROUGH THIRD QUARTER PROGRAM YEAR 1985
(JULY 1, 1985 - MARCH 31, 1986)

	TOTAL	TOTAL VETERANS	VIETNAM VETERANS	DISABLED VETERANS	SPECIAL DISABLED VETERANS
NATIONAL TOTAL	483,437	162,586	80,396	17,157	7,514
REGION 1 TOTAL	18,207	4,595	2,016	576	199
CONNECTICUT	4,327	707	338	95	39
MAINE	241	177	97	29	17
MASSACHUSETTS	5,037	1,814	771	202	67
NEW HAMPSHIRE	3,228	849	359	119	57
RHODE ISLAND	3,718	699	275	43	10
VERMONT	1,656	349	176	48	18
REGION 2 TOTAL	51,416	11,202	3,900	922	355
NEW JERSEY	11,003	2,126	806	248	98
NEW YORK	32,890	8,184	2,808	574	229
PUERTO RICO	7,015	868	275	100	28
VIRGIN ISLANDS	508	24	11	0	0
REGION 3 TOTAL	28,776	10,362	4,878	1,236	565
DELAWARE	828	320	142	31	6
ISTRICT OF COLUMBIA	6,607	1,836	919	262	131
ARYLAND	2,959	904	439	99	40
ENNSYLVANIA	12,065	5,103	2,207	585	250
IRGINIA	1,040	273	146	43	15
EST VIRGINIA	5,277	1,726	1,025	216	123
EGION 4 TOTAL	109,472	27,263	13,198	3,870	1,801
LABAMA	6,687	2,512	1,081	331	156
LORIDA	15,239	4.847	2,417	786	355
EORGIA	25,859	5,070	2,657	836	407
ENTUCKY	16,574	3,279	1,752	352	147
ISSISSIPPI	13,426	2,903	1,335	202	141
ORTH CAROLINA	18,252	4,451	1,976	566	252
OUTH CAROLINA	8,571	2,855	1,308	455	199
ENNESSEE	4,864	1,346	672	282	144
EGION 5 TOTAL	82,684	25,364	12,009	1,937	745
LLINOIS	16,600	5,655	2,647	524	221
NDIANA	4,678	1,610	780	111	50
ICHIGAN	27,821	6,056	2,738	268	84
INNESOTA	7,919	1,696	834	151	39
HIO	17,295	6,028	3,035	518	196
ISCONSIN	8,371	4,319	1,975	365	155

REGION 6 TOTAL	71,894	35,555	19,300	4,265	2,028
ARKANSAS	1,677	1,181	686	297	177
LOUISIANA	5,281	3,423	1,851	239	86
NEW MEXICO	2,519	572	274	61	24
OKLAHOMA	18,056	7,785	4,274	922	448
TEXAS	44,361	22,594	12,215	2,746	1,293
REGION 7 TOTAL	34,696	14,882	7,097	1,051	423
IOWA	8,547	5,300	2,469	280	98
KANSAS	7,708	4,000	2,043	446	195
MISSOURI	13,012	2,720	1,209	142	59
NEBRASKA	5,429	2,862	1,376	183	71
REGION 8 TOTAL	44,471	11,874	6,105	1,181	420
COLORADO	6,635	1,628	867	191	78
MONTANA	7,441	2,119	1,110	241	89
NORTH DAKOTA	4,386	1,224	646	104	40
SOUTH DAKOTA	4,033	798	372	82	25
UTAH	11,551	2,910	1,439	251	75
WYOMING	10,425	3,195	1,671	312	113
REGION 9 TOTAL	18,771	7,545	4,135	769	388
ARIZONA	3,292	2,149	1,501	136	111
CALIFORNIA	11,365	3,745	1,770	400	150
HAWAII	1,478	707	405	98	66
NEVADA	2,636	944	459	135	61
REGION 10 TOTAL	23,050	13,944	7,758	1,370	590
ALASKA	1,227	371	218	37	17
IDAHO	804	550	333	112	43
OREGON	12,866	9,331	4,989	688	300
WASHINGTON	8,153	3,692	2,218	533	230

INDIVIDUALS PLACED
THROUGH THIRD QUARTER PROGRAM YEAR 1985
(JULY 1, 1985 - MARCH 31, 1986)

	TOTAL	TOTAL VETERANS	VIETNAM VETERANS	DISABLED VETERANS	SPECIAL DISABLED VETERANS
NATIONAL TOTAL	2,689,063	362,228	167,111	22,242	8,700
REGION 1 TOTAL	120,674	14,064	5,471	863	281
CONNECTICUT	24,576	2,675	1,026	162	47
MAINE	15,849	2,349	1,003	105	44
MASSACHUSETTS	49,000	4,653	1,684	276	84
NEW HAMPSHIRE	8,524	1,837	734	173	65
RHODE ISLAND	13,574	1,256	517	85	24
VERMONT	9,131	1,294	507	62	17
REGION 2 TOTAL	206,270	18,846	7,618	1,226	446
NEW JERSEY	48,814	4,661	1,957	370	136
NEW YORK	140,940	13,053	5,241	761	288
PUERTO RICO	14,763	1,076	412	95	22
VIRGIN ISLANDS	1,753	56	8	0	0
REGION 3 TOTAL	234,749	28,042	12,194	1,709	660
DELAWARE	4,632	633	292	48	19
DISTRICT OF COLUMBIA	28,100	1,133	523	72	30
MARYLAND	31,545	4,523	1,817	276	79
PENNSYLVANIA	116,540	12,719	5,641	769	338
VIRGINIA	33,808	6,945	2,885	395	135
WEST VIRGINIA	20,124	2,089	1,034	149	59
REGION 4 TOTAL	589,435	83,708	37,523	5,770	2,256
ALABAMA	65,513	8,671	3,879	488	191
FLORIDA	133,815	19,479	8,674	1,715	666
GEORGIA	58,673	7,782	3,392	588	234
KENTUCKY	55,164	8,024	3,851	490	201
MISSISSIPPI	56,947	6,515	2,767	281	113
NORTH CAROLINA	110,540	17,743	7,671	1,258	479
SOUTH CAROLINA	45,772	7,214	3,268	487	195
TENNESSEE	63,011	8,280	4,021	463	177
REGION 5 TOTAL	417,732	46,985	20,789	2,616	889
ILLINOIS	103,769	10,166	4,360	556	221
INDIANA	63,867	6,287	2,879	263	98
MICHIGAN	81,993	8,643	3,694	335	110
MINNESOTA	55,202	5,397	2,465	361	80
OHIO	71,058	10,589	4,720	648	228
WISCONSIN	41,843	5,903	2,671	453	152

REGION 6 TOTAL	396,232	58,558	29,753	3,646	1,677
ARKANSAS	54,612	8,640	4,177	634	363
LOUISIANA	56,058	4,885	2,537	158	57
NEW MEXICO	23,487	2,999	1,309	175	52
OKLAHOMA	42,542	7,923	4,306	558	267
TEXAS	219,533	34,111	17,344	2,121	938
REGION 7 TOTAL	199,732	23,471	10,420	1,008	361
IOWA	66,424	6,395	2,779	278	81
KANSAS	33,900	5,214	2,381	341	148
MISSOURI	70,088	8,587	3,802	262	88
NEBRASKA	29,320	3,275	1,458	127	44
REGION 8 TOTAL	153,591	22,319	10,961	1,351	465
COLORADO	40,164	7,141	3,479	432	156
MONTANA	21,778	3,089	1,566	160	63
NORTH DAKOTA	18,646	2,215	1,092	133	50
SOUTH DAKOTA	21,009	2,509	1,055	160	36
UTAH	35,554	4,330	2,144	231	74
WYOMING	16,440	3,035	1,606	235	86
REGION 9 TOTAL	239,919	41,915	19,932	2,510	1,087
ARIZONA	33,639	7,256	3,503	210	144
CALIFORNIA	180,935	30,000	14,170	2,030	835
HAWAII	12,045	1,598	725	106	45
NEVADA	13,300	3,061	1,534	164	63
REGION 10 TOTAL	130,729	24,300	12,450	1,543	558
ALASKA	17,472	3,132	1,629	182	70
IDAHO	21,459	3,952	1,963	265	90
OREGON	40,743	7,859	3,996	398	160
WASHINGTON	51,055	9,357	4,862	698	238

RECEIVED SOME REPORTABLE SERVICE
THROUGH THIRD QUARTER PROGRAM YEAR 1985
(JULY 1, 1985 - MARCH 31, 1986)

	TOTAL	TOTAL VETERANS	VIETNAM VETERANS	DISABLED VETERANS	SPECIAL DISABLED VETERANS
NATIONAL TOTAL	8,030,764	1,486,650	603,163	82,751	31,552
REGION 1 TOTAL	320,630	50,639	20,660	3,032	952
CONNECTICUT	84,151	16,031	6,322	911	224
MAINE	43,566	7,546	3,344	363	145
MASSACHUSETTS	111,411	14,978	5,981	887	281
NEW HAMPSHIRE	26,693	5,489	2,237	492	197
RHODE ISLAND	26,782	2,641	1,088	171	37
VERMONT	28,027	3,954	1,688	208	68
REGION 2 TOTAL	890,933	122,885	47,266	6,700	2,331
NEW JERSEY	131,020	20,280	7,988	1,650	525
NEW YORK	717,078	97,293	37,465	4,579	1,679
PUERTO RICO	42,835	5,312	1,813	471	127
VIRGIN ISLANDS	0	0	0	0	0
REGION 3 TOTAL	641,758	125,060	55,247	7,002	2,639
DELAWARE	11,481	2,250	1,038	180	75
DISTRICT OF COLUMBIA	54,471	5,076	2,300	368	169
MARYLAND	89,741	15,076	6,456	948	291
PENNSYLVANIA	299,334	65,193	28,023	3,347	1,272
VIRGINIA	119,117	23,504	10,295	1,340	476
WEST VIRGINIA	67,614	13,961	7,135	819	356
REGION 4 TOTAL	1,668,634	269,605	122,966	18,073	7,013
ALABAMA	189,896	27,601	12,757	1,655	690
FLORIDA	369,128	66,144	28,788	5,376	1,952
GEORGIA	201,711	27,238	12,531	2,075	837
KENTUCKY	134,812	21,675	10,606	1,261	489
MISSISSIPPI	165,349	20,374	9,404	997	429
NORTH CAROLINA	286,729	51,259	22,788	3,539	1,397
SOUTH CAROLINA	149,492	28,861	13,266	1,755	677
TENNESSEE	171,517	26,457	12,826	1,415	542
REGION 5 TOTAL	1,322,049	269,466	120,115	12,654	4,296
ILLINOIS	268,857	53,336	22,784	2,230	805
INDIANA	171,133	32,961	15,334	1,292	483
MICHIGAN	216,944	48,778	21,214	1,668	544
MINNESOTA	149,637	25,539	11,784	1,497	331
OHIO	310,541	72,706	32,587	3,436	1,228
WISCONSIN	204,935	36,146	16,412	2,531	905

REGION 6 TOTAL	1,201,470	263,883	131,593	14,379	6,231
ARKANSAS	140,241	30,363	14,872	2,042	1,143
LOUISIANA	139,395	27,176	13,745	916	308
NEW MEXICO	55,843	9,808	4,641	634	182
OKLAHOMA	140,202	42,706	22,139	2,512	1,079
TEXAS	725,789	153,830	76,196	8,275	3,519
REGION 7 TOTAL	572,251	104,595	47,564	3,497	1,234
IOWA	165,540	29,065	13,004	992	296
KANSAS	92,211	19,062	9,118	965	402
MISSOURI	248,372	44,459	19,973	1,074	380
NEBRASKA	66,128	12,009	5,469	466	156
REGION 8 TOTAL	404,097	69,156	34,115	4,265	1,406
COLORADO	104,237	22,807	11,371	1,597	572
MONTANA	58,827	10,578	5,349	600	217
NORTH DAKOTA	46,955	6,657	3,302	372	134
SOUTH DAKOTA	51,966	6,850	2,987	408	102
UTAH	97,530	14,015	6,893	750	204
WYOMING	44,582	8,249	4,213	538	177
REGION 9 TOTAL	636,850	129,818	62,069	8,005	3,557
ARIZONA	103,549	27,888	13,310	832	675
CALIFORNIA	448,970	85,020	40,470	6,250	2,500
HAWAII	37,218	7,153	3,355	383	182
NEVADA	47,113	9,757	4,934	540	200
REGION 10 TOTAL	372,092	80,743	41,568	5,124	1,893
ALASKA	46,351	10,354	5,392	638	213
IDAHO	58,691	11,123	5,548	707	212
OREGON	115,018	26,095	13,305	1,285	529
WASHINGTON	152,032	33,171	17,323	2,494	939

UNEMPLOYMENT COMPENSATION FOR EX-SERVICEMEMBERS (UCX)

The primary purpose of unemployment compensation is to maintain minimum living standards while a person is looking for work. Under agreements with the Secretary of Labor, the State Employment Security Agencies (SESAs) administer the program of Unemployment Compensation for Ex-Servicemembers (UCX).

Provisions of 5 U.S.C. Chapter 85, Subchapter II, provide that unemployed veterans who were discharged or released under honorable conditions are eligible for up to 13 weeks of unemployment benefits. The law also requires a 4-week waiting period following separation before benefits are payable. To be eligible for these benefits, a veteran must have been separated under honorable conditions and have completed a full term of active service or if separated before completion of the first full term of service, the veteran must have been separated:

(a) For the convenience of the Government;
(b) For medical reasons, pregnancy, or parenthood;
(c) For hardship, or
(d) For personality disorder or inaptitude, but only if the service was continuous for 365 days or more.

Benefits are payable to veterans beginning the sixth week after the week of separation in most States because of a State-required 1-week waiting period. (In 10 States, benefits are payable beginning the fifth week after the week of separation). Individual State laws determine the specific amount of weekly benefit payments.

The following table shows UCX activities for fiscal year 1985 and the first half of fiscal year 1986:

Table 5.

Activities Under the Unemployment Compensation for Ex-Servicemembers (UCX) Regular Program.

	FY 1985	Half Year FY 1986
Claimants Paid Benefits (number)	88,280	46,260
Total Weeks Compensated (thousands)	931	513
Average Duration (weeks)	10.6*	11.1*
Total Amount Paid (thousands)	$129,122	70,921
Average Weekly Benefit (dollars)	$ 139	$ 138
Total Paid Average Claimant (dollars)	$ 1,463	$1,533

* UCX claimants entitled to only 13 weeks

SOURCE: U.S. Department of Labor, Employment and Training Administration.

FEDERAL CONTRACTOR PROGRAM

Title 38, U.S.C., Section 2012, requires Government contractors to take affirmative action to employ and advance in employment special disabled veterans and veterans of the Vietnam era. Under these provisions, Federal contractors are required to list with Job Service offices all bona fide job openings that occur during the performance of their contracts. The Job Service is, in turn, required to provide priority referral of qualified, eligible veterans to those openings. The law applies to all firms, and hiring locations associated with firms, holding Federal contracts or subcontracts of $10,000 or more.

Table 6 reflects data on Federal Contractor Job Listing Activity for Fiscal Year 1983 through the end of the third quarter for Program Year 1985. (The annual reporting period for the Federal Contractor Job Listing (FCJL) Program was changed to a Program Year basis effective July 1, 1984.)

Proposed regulations implementing the annual report from Federal contractors were published in the Federal Register on May 28, 1986. We are presently analyzing the 21 letters of comment received during the public comment period which ended June 27, 1986. It is anticipated that final rules will be published in August, 1986.

Since last year, we have taken a number of steps to improve the operation of the FCJL program. In March, 1986, we wrote to heads of 51 Federal agencies reminding them of the veterans' affirmative action requirements for Federal contractors, telling them of the importance we place on this program, and enlisting their support in making contractors aware of their responsibities. We also sent more detailed letters to the procurement executives in each of these same agencies, providing them a list

TABLE 6.

TRENDS IN FEDERAL CONTRACTOR JOB LISTING ACTIVITY, SELECTED PERIODS

(In Thousands)

ITEM	FY 1983	Trans. Year 10/83 thru 6/84	PY 1984 7/84 thru 6/85	3rd Q.* PY 1985 7/85 thru 3/86
Openings Received	349	297	404	309
Individuals Referred	739	572	792	670
Veterans Referred	172	140	194	166
Vietnam-era	89	73	100	83
Special Disabled	4	3	5	5
Individuals Placed	234	185	266	210
Veterans Placed	50	43	61	49
Vietnam-era	26	23	33	25
Special Disabled	1	1	2	2

SOURCE: U. S. Department of Labor, Employment and Training Administration.

* Tentative; subject to change.

of the Federal Contractor Job Listing Coordinators for each State Employment Service and a poster for contractors to use in announcing their affirmative action obligations.

Although the letters did not request any reply, over half of the agencies did respond expressing support of our effort. Many agencies noted concrete actions taken by them to ensure that their contractors are aware of and are complying with their veterans' affirmative action responsibilities. For instance, several agencies, including the Departments of Justice, Transportation, State, and Health and Human Services have issued the content of our letter through internal directives to all procurement activities. Other agencies, such as Housing and Urban Development, the Environmental Protection Agency, and ACTION, sent notices to their prime contractors reminding them of their contractual obligations. Additional information and materials for public information purposes were requested by the Peace Corps, Department of Education, and the Treasury Department.

We are also including FCJL in our training sessions conducted by field staff and are promoting the program through two National Office grants utilizing the Employer's National Job Service Committee and instituting an outreach and public information effort that will take place in each State.

The Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) is responsible for enforcement of 38 U.S.C. 2012. The national network of OFCCP Regional and area offices monitor Federal contract compliance with 38 U.S.C. 2012 as well as Executive Order 11246, as amended, and Section 503 of the Rehabilitation Act of 1973, as amended, through compliance reviews and complaint investigations. At the end of the second quarter of FY 1986, OFCCP completed 2,493 compliance reviews. By the end of this fiscal year, OFCCP projects that almost 5,000 compliance reviews will have been completed. By way of comparison, the figure was 2,632 for the entire FY 1980. Each compliance review includes investigations of the affirmative action and nondiscrimination requirements contained in the veterans' act and the regulations set forth in 41 CFR 60-250 and the other two mandates. This strong commitment to vigorous enforcement has allowed OFCCP to check the employment practices and procedures that impact on Vietnam-era and disabled veterans.

OFCCP investigates individual as well as class complaints received from Vietnam-era and disabled veterans. At the end of the second quarter of FY 1986, OFCCP had completed a total of 538 complaint investigations. This includes 68 complaint investigations which were filed under the veterans' act. While specific numbers are not available, we are reasonably confident that a number of disabled veterans filed complaints under Section 503 of the Rehabilitation Act. By the end of this Fiscal Year, OFCCP projects that it will have completed approximately 1,000 total complaint investigations with approximately 140 arising under 38 U.S.C. 2012 complaints.

In order to further improve the enforcement of contractor obligations under 38 U.S.C. 2012, OFCCP has initiated efforts to improve coordination and field emphasis as well as enhance communications between all involved agencies.

As a result of the Memorandum of Understanding with the Office of the Assistant Secretary for Veterans' Employment and Training (OASVET), signed on November 21, 1983, ESA is regularly providing OASVET with information regarding the number of individual complaints filed, the number of complaints resolved, the status and age of unresolved complaints, explanation for any delays, and other data available through the Complaint Administration System. Field coordination between OFCCP and VETS representatives enables OASVET to better monitor and advise the Secretary on this aspect of veterans' services provided by the Department.

In a directive to all field personnel, OFCCP has emphasized the importance of full investigation of Federal contractors' compliance with the regulatory and legislative requirements, as well as full investigation of other affirmative action and nondiscrimination requirements. Additionally, all OFCCP Assistant Regional Administrators (ARAs) were reminded to continue, on a state-by-state basis, to further a working relationship with the State Employment Service Veterans' Employment Representatives in order to achieve maximum review efficiency on job listings and job referrals without unnecessary paperwork burdens or confidentiality concerns. Further, as compliance reviews are internally audited as part of the quality assurance process, specific attention is devoted to review of a contractor's compliance under 38 U.S.C. 2012.

In April of this year, OFCCP provided the ARAs with a recently released bulletin from the Bureau of Labor Statistics which indicated that male Vietnam-era veterans who actually served in Southeast Asia have a more difficult time in the labor market than most other veterans groups.

Since last year's hearing, OFCCP has increased its communication with veterans' organizations and with State Employment Security Agencies (SESAs) in an attempt to bring about improved compliance with our programs and regulations. Veterans' groups actively participate in the voluntary liaison group program. Liaison groups encourage their member corporations to develop close and cooperative working relationships with organizations representing minorities, women, handicapped individuals, and disabled and Vietnam-era veterans.

There are presently two liaison groups focused specifically on veterans' concerns and at least one other veterans' liaison group that is in the early organizational stage. These groups have developed some innovative linkage programs designed to provide veterans with additional employment opportunities. Further, OFCCP is continuing to emphasize linkages with SESA offices for job referrals. Finally, at the national level, representatives of veterans' organizations have met with the Director and staff of OFCCP to be fully briefed on the actual compliance review process.

In addition to more regular meetings with veterans' group representatives, the Director has also encouraged active communication between OFCCP and SESA agencies on a national basis. As part of this effort, OFCCP participates as an ex-officio member of the Interstate Conference of Employment Security Agencies' Subcommittee on Veterans' Affairs.

OFCCP has actively sought to acquaint employers with their responsibilities and rights under 38 U.S.C. 2012. As promised to the Subcommittee last year, OFCCP has published and distributed a series of profiles of companies who are successful in increasing employment opportunities for veterans.

Finally, OFCCP has published in its regulatory agenda a target date of December 31, 1986, for new final regulations on the contract compliance rules and regulations for veterans. However, in response to a commitment made to the veterans' oganizations, a proposed rule to amend the regulatory definition of Vietnam-era veterans by deleting the 48-month post-service limitation period of eligibility, and substituting a coverage cut-off date of December 31, 1991, has been expedited and is now in final Departmental clearance.

TARGETED JOBS TAX CREDIT

The Targeted Jobs Tax Credit (TJTC) Program, authorized by the Revenue Act of 1978 and which expired December 31, 1985, provided a tax incentive for employers to hire certain target groups, including economically disadvantaged Vietnam-era veterans and disabled veterans. In Fiscal Year 1985, there were 65,500 vouchers 1/ and 26,478 certifications 2/ issued to veterans, for a 40.4 percent certification rate. The total certification rate for all target groups was 46.3 percent in fiscal 1985. The following table covering fiscal year 1985 shows the total number of vouchers and certifications issued, the total number issued to veterans, and the percentage of the total number of vouchers and certifications that were issued to veterans. Because the authorizing legislation for TJTC has expired, no data after Fiscal Year 1985 is available.

1/ Vouchers are written notices of eligibility for employer tax credits that are issued to jobseekers under the Targeted Job Tax Credit program.

2/ Certifications are written verifications of jobholder's eligibility for the TJTC program that are mailed to an employer who hires a TJTC-eligible person.

TABLE 7.

Veterans As A Percentage of Total Targeted Jobs Tax Credit Program Activity, By Region, Fiscal Year 1983

REGION	Vouchers Issued			Certifications Issued		
	All Vouchers	Vouchers Issued to Veterans		All Certifications	Certifications Issued to Veterans	
		Number issued	Percent of all Vouchers		Number issued	Percent of All Certifica-
National Total:	1,288,947	80,808	6.3	431,182	24,141	5.6
Region:						
I	64,121	3,820	6.0	22,400	1,165	5.2
II	140,627	7,723	5.5	39,402	1,722	4.4
III	115,786	6,775	5.9	36,776	1,759	4.8
IV	280,543	3,834	4.9	102,018	5,206	5.1
V	266,254	2,021	7.6	77,199	4,880	6.3
VI	115,843	5,285	4.6	49,072	2,310	4.7
VII	79,539	6,559	8.3	25,568	1,740	6.8
VIII	28,003	2,415	8.6	13,154	913	6.9
IX	130,493	6,403	4.9	43,098	2,353	5.5
X	65,738	7,783	11.8	22,515	2,093	9.3

Source: U. S. Department of Labor, Employment and Training Administration.

SECRETARY'S COMMITTEE ON VETERANS' EMPLOYMENT

The Secretary's Committee on Veterans' Employment was established to bring veterans' employment problems to the attention of the Secretary of Labor. The Committee is chaired by the Secretary of Labor with the Assistant Secretary for Veterans' Employment and Training serving as Vice-Chairperson.

Established according to the Veterans' Compensation, Education and Employment Amendments of 1982 (Public Law 97-306), committee members include representatives of the Administrator of the Veterans Administration, Secretary of Defense, Secretary of Health and Human Services, Director of the Office of Personnel Management, Chairman of the Equal Employment Opportunity Commission, and the Administrator of the Small Business Administration. Congressionally-chartered veterans' organizations with national employment programs also have representatives on the Committee. These organizations include The American Legion, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Blinded Veterans Association, AMVETS, Military Order of the Purple Heart of the U.S.A., Inc. and the Vietnam Veterans of America.

The Committee met three times during Fiscal Year 1985 and has scheduled four meetings during fiscal year 1986 to discuss Federal programs and policy issues that affect veterans' employment. Major issues discussed included the Veterans' Job Training Act, the Job Training Partnership Act, cooperative efforts to help homeless veterans, strengthening the Federal contractor veterans' affirmative action program, veteran entrepreneurship, cost of unemployment compensation for ex-servicemembers, Federal employment of veterans, and a joint Department of Labor/Department of Defense comprehensive separation counseling program. The Committee has undertaken to be directly involved in interdepartmental operations through establishment of Subcommittees on both Private Sector and Public Sector Involvement through which veterans' programs can be streamlined and made more cost-effective.

VETERAN EMPLOYEES OF THE DEPARTMENT OF LABOR

During Fiscal Year 1985, the Department had a very minimal increase in total employment. Veterans made up 31 percent of Department of Labor (DOL) staff and accounted for 11 percent of all new hires in Fiscal Year 1985. The Veterans' Readjustment Appointment (VRA) program authorizes Federal agencies to appoint Vietnam-era veterans to Federal civilian jobs if the veterans agree to participate in a training or educational program while they are employed. In Fiscal Year 1985, there were 11 VRA appointments in DOL. In addition, there were eight noncompetitive appointments of disabled veterans with 30% or more disabilities. The table below presents veteran employment within the Department for Fiscal Year 1985.

TABLE 8.

VETERAN EMPLOYEES OF THE DEPARTMENT OF LABOR
FISCAL YEAR 1985

Total of DOL Employees	18,032
Number of Veterans Employed by DOL	5,697
Percentage of Veterans Among DOL Employees	31%
Total of DOL New Hires	2,631
Total of Veteran New Hires	293
Percentage of Veterans Hired	11%
VRA Appointments	11
Appointments of 30% Disabled Veterans	8

JOB SERVICE ADMINISTRATION

The Job Service system represents a National network of some 2,300 local Job Service offices that offer free employment related assistance to employers and applicants. The Employment and Training Administration of the Department of Labor provides overall administrative guidance to the State Job Service; this includes funding administration through individual State grants. The unemployment insurance program is also administered by the States through grant agreements with the Employment and Training Administration.

With respect to the question of "devolvement", the future organization and role of the Employment Service is currently under active review by the Department. A wide range of policy options is being considered.

VALIDITY GENERALIZATION

Validity Generalization (VG) is a new method of applicant referral based upon large amounts of data generated by many years of validity research. Under the administration of the Employment and Training Administration, the research explored validity of the General Aptitude Test Battery (GATB) as a predictor of applicants' relative ability to perform or learn jobs. To develop operational procedures, VG is currently being tested in 37 States, according to information furnished by the Employment and Training Administration.

It is essential that veterans' preference under VG procedures be maintained in order to comply with legal and regulatory requirements. To ensure that veterans' preference in referrals would be observed under VG, we issued a directive on March 7, 1985, to establish procedural guidelines for the Job Service agencies. Also, to determine how well the VG programs in the pilot States are performing for veterans, we recently conducted a survey of our Veterans' Employment and Training Service field staff. We are currently in the process of reviewing and analyzing the responses.

ICESA

STATEMENT OF ROBERT E. DAVID
EXECUTIVE DIRECTOR
SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION
AND CHAIRMAN, VETERANS' AFFAIRS COMMITTEE

OF THE

INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

JULY 16, 1986

Mr. Chairman, members of the Subcommittee, my name is Robert E. David. I am Executive Director of the Employment Security Commission of South Carolina and Chairman of the Veterans' Affairs Committee of the Interstate Conference of Employment Security Agencies, Inc. (ICESA). ICESA is the national organization of Administrators of the Employment Service and Unemployment Insurance Programs in each of the 50 states, the District of Columbia, Puerto Rico and the Virgin Islands.

Accompanying me today are two members of our Veterans' Affairs Committee: Mr. James A. Lowe, Deputy Commissioner of the Georgia Department of Labor, and Mr. Alan AuBuchon, Assistant Director for Employment Service Operations, Missouri Division of Employment Security.

We appreciate the opportunity to appear before you today to present our views on a number of veterans' employment and training issues of concern to this Subcommittee.

Federal Contractor Job Listing (FCJL) Program

When I testified before this Subcommittee in May of 1985, I stated that, in our opinion, the FCJL Program works well when the following three actions occur:

(1) The contractor, at the time of the award, clearly understands his/her affirmative action responsibilities under Section 2012 of Title 38, USC, and that these responsibilities extend to all subcontractors;

(2) State Employment Service staff, and Federal personnel working at the state level for the Assistant Secretary of Labor for Veterans' Employment and Training, receive timely information concerning the award of Federal contracts; and

(3) Federal contractors are closely monitored regarding their compliance with the law, and immediate action is taken when found to be in violation of the law.

At that time, we reported that significant improvements had been made to item two--the timely notification of contract awards to state officials--but that major improvements were needed in the other areas. Since that hearing, there appears to be a greater concern on the part of the OFCCP to improve the monitoring of applicable Federal contracts under Section 2012. Discussions within our Veterans' Affairs Committee reveal a significant increase in contact by OFCCP staff who want to review Employment Service records that provide information concerning job listings, referrals and hires. While this is encouraging, we have no information concerning the results of monitoring and, more importantly, if sanctions have been enforced where warranted. We strongly believe that strong Federal enforcement is the key ingredient to making this Program work.

Despite these improvements, our experience with the Program continues to indicate that most Federal contractors do not fully understand their responsibilities under Section 2012 of Title 38, USC, Chapter 42. It is important to note that we are not referring solely to the requirement that suitable employment opportunities be listed with the ES. This is only one activity, albeit an important one, that can assist contractors and subcontractors in meeting their primary responsibility under the Program; i.e., taking "...affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam Era." We must recognize that under the FCJL Program, the only requirement of the contractors is to list suitable jobs with the ES, not to hire the referrals made by our State agencies. Hiring and advancing in employment special disabled and Vietnam Era veterans is mandated by the broader provisions of Section 2012, and this is the requirement that must be clearly communicated to contractors by Federal procurement officers during the selection and award process. We find that a majority of contractors first learn of their responsibilities when we make our initial contact.

Devolvement of the Employment Service

"Devolution" or "Devolvement" are terms that mean different things to different groups. When the concept was introduced several years ago, by an official in OMB, the primary and most controversial feature was the transfer of responsibility, from the Federal Government to State Governments, for raising administrative funds for employment security programs. I might add that the many provisions embodied in the proposal were more directed to the Unemployment Insurance program than the Employment Service.

It appears that the original proposal has evolved into an effort by the Department of Labor to reform administrative financing of the employment security system, focusing on the unemployment insurance program. Devolution is one of a range of reform measures under consideration by DOL; other options are modification of the current system and block grant approaches. It is our understanding that public comment regarding these reform options will be solicited by a Federal Register announcement within a few weeks. The current and future functioning of the ES program is presently under comprehensive review by the Employment and Training Administration, through a myriad of roundtables, workgroups, and consultation groups. We anticipate firm recommendations before the end of this calendar year.

The Interstate Conference fully supports Administration efforts to improve employment security programs. In fact, our members continue to participate in ETA's review and analysis of programs and the development of recommendations that will offer positive change. Our organization and our members individually have participated in the discussion of devolution over the past several years. Some of our members support the concept with certain modifications or guarantees, while others have major reservations about the basic concept of transferring the administrative taxing responsibility. There is also concern that a change of this magnitude could jeopardize the quality, and in some states, the very existence of programs. Further, we are not certain how long-standing Federal laws and regulations, which mandate veterans' programs and preference in service delivery, can be upheld under a system that would dilute Federal responsibility and authority in this area.

Our last comment on this important subject concerns DOL's approach to reform, especially regarding the Employment Service. Specifically, the Employment and Training Administration clearly has the lead role in this entire effort, but there has been almost no direct involvement by the Assistant Secretary for Veterans' Employment and Training. Yet, the delivery system being scrutinized by ETA and, perhaps, eventually restructured by law or administrative action, is the very delivery system which has as its statuatory priority veterans' services and accountable to the ASVET in this regard. We, therefore, recommend substantially greater involvement by the ASVET in this extensive review and reform process, as well as veterans' organizations which seem to have been relegated a minor role although other organizations have been extensively involved.

This recommendation extends beyond current ES reform efforts, to everyday decision-making and policy development. Essentially, we have two Assistant Secretaries in a single Department communicating to the same delivery system. There must be better coordination in a variety of areas including, but not limited to: budget development; the establishment of performance standards and reporting requirements, and improving service delivery techniques.

Validity Generalization (VG)

The United States Employment Service has used ability tests since the mid-1930's to select applicants for referral to jobs and as an aid in rational career decision making. Throughout this time, the USES has conducted a vigorous and productive research program which has created and developed such highly respected instruments as the General Aptitude Test Battery (GATB). This battery of tests measures an extensive range of cognitive, perceptual and psychomotor abilities and has been found useful for many diverse jobs in a wide variety of settings. One function of the research program has been to determine the appropriateness of the GATB; i.e., the relationship between GATB test scores and job performance or productivity. Using the best research methods available, a great deal of information was collected, and the GATB is recognized as the best validated test battery available. However, because each research study related only to the specific occupation studied, only some 500 of the more than 12,000 most populous jobs in the economy were covered. With recent advances in analysis, known collectively as Validity Generalization, this situation has been radically altered, and all jobs are now covered.

Within the Employment Service System, VG has evolved into a new operational system, characterized by group orientation and registration, mass testing, appointments for services, automated file search, etc. And it is critical to recognize that unlike many Government initiated programs which are promoted almost entirely by the Federal sector, VG is being promoted vigorously by employers. Private sector demand is overwhelming, and the Employment Service System is finding it difficult to implement this new approach quickly enough to meet employer requests. To date, approximately 75% of the states have begun to implement VG in one form or another.

The Veterans' Affairs Committee of ICESA has monitored VG implementation with special emphasis on veterans' preference. Several years ago, we requested the ASVET to provide formal guidance to ES agencies in this area, and states were provided a directive that offers significant flexibility in meeting veterans' preference within the VG framework. However, it is important to recognize that VG is still in an experimental mode, with a majority of the states continuing to test different implementation designs.

While some states have already reported an increase in the placement of veterans under the new system, we are also aware that in other states procedures are still being worked on to ensure that the quality of services to veterans is not diminished. VG has the potential to substantially increase the involvement of the private sector in Employment Service Programs. We are encouraged by this, but are also concerned that our special responsibilities for veterans continue to be fulfilled in an effective and efficient manner. Toward this goal, our Committee will continue to monitor this innovative approach to service delivery.

Job Training Partnership Act (JTPA)

As you well know, the Employment Service System has provided veterans with direct placement assistance and support services for more than a half century. Annually we place into unsubsidized employment approximately 500,000 veterans. Veterans receive priority services in all areas of ES operations, and we have regulations which clearly describe this responsibility. However, within the JTPA statute, veterans are not targeted for any special consideration, except under Title IV Part C which comprises less than three-tenths of one percent of all JTPA funds.

Further, to our knowledge there has been no concerted effort by the Department of Labor to communicate to the JTPA System the particular needs of veterans or to at least offer encouragement and support to State JTPA Councils and Private Industry Councils (PICs) to address veterans employment and training needs. It appears that 38 USC, Chapter 41 gives the Secretary the authority and responsibility to work directly with the JTPA system in this particular area. We do not believe that this portion of the United States Code is directed solely at the Employment Service.

While a significant portion of the funds for JTPA must be expended on youth employment initiatives, Title IIA, and especially Title III programs can do more to focus on the special employment and training needs of veterans. However, for this to become a reality, the Department of Labor must take a lead role by first making JTPA administrators aware that a problem actually exists and that we have a national commitment to helping veterans. This can be followed up with more specific activities such as restructuring JTPA performance standards, and supporting the representation of veterans organizations on State JTPA Councils and PICs. However, the awareness issue must be addressed first.

Again, going back to a point we made earlier, to be effective, this entire issue must be addressed by both the Assistant Secretary for ETA and the ASVET. It has to be a coordinated effort with single purpose and unified support.

Local Veterans Employment Representatives (LVERs) and the Disabled Veterans Outreach Program (DVOP)

Mr. Chairman, throughout the years we have worked closely with the Department on a myriad of programmatic issues concerning these two programs. We have always been able to agree on solutions to problems, and since the estabishment of the office of the ASVET, we have enjoyed an even closer working relationship.

However, the most significant issue facing these Programs today is not programmatic; it concerns funding. State Administrators, in negotiating cost reimbursable contracts for both programs, find that there are insufficient funds to support the statuatorily required number of staff as well as overhead costs. Scarce Wagner-Peyser resources have been used to meet the objectives of the programs, but this fund source has also been declining over the years, constraining the basic labor exchange system. We request the support of this Subcommittee to remedy this situation.

Mr. Chairman, that concludes my prepared statement. We would be pleased to respond to any questions that you may have.

Test.J11

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMICS COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

VETERANS EMPLOYMENT & TRAINING PROGRAMS

JULY 16, 1986

TESTIMONY OF
DENNIS K. RHOADES
DIRECTOR FOR ECONOMICS
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

July 16, 1986

Mr. Chairman, The American Legion appreciates the opportunity to appear before the subcommittee today to discuss the status of veterans employment programs within the Department of Labor. We believe that this oversight hearing comes at a particularly critical time for the programs available to unemployed and underemployed veterans. The time has certainly come when all of us need to step back to examine the health and viability of the Federal government's employment and training services for our former soldiers, and the challenges posed to them by government wide deficit reduction plans, as well as changing perspectives on how jobs and job training ought to be addressed in a post-industrial economy.

In the course of our testimony we would like to examine the future directions of our Nation's employment and training programs, to which services to veterans in the Department of Labor are closely bound. In that regard, we will be discussing the Job Training Partnership Act after several years of operation, as well as the close policy scrutiny under which the country's labor exchange, the Employment Security System, now finds itself. In order to understand what kind of challenges services for veterans may faceduring the next year or two, perhaps it would be useful to review for a moment the veterans employment and training system as it is mandated by present law.

In the broad spectrum of services which make up the veterans benefits system, only two major programs are not operated by the VA: employment and small business programs. These services are, instead, assigned by Congress to other federal agencies. Employment placement and training, in particular, is not only a significant readjustment requirement, but is also an ongoing need of many veterans who later in life find themselves without work owing to disabilities and economic dislocation. Job services can be fairly ranked with compensation, medical care, education and housing as a vital pillar of the veterans services structure which The American Legion has fought to build since the close of World War I.

Yet, because the responsibility for veterans employment and training has been given by statute to the Department of Labor, rather than the VA, the resulting programs have not often [redacted] been subject to the kind of accountability to the veterans community (including the Congressional Committees on Veterans Affairs) that characterizes VA benefits and services. Veterans employment services are only a part of programs designed for the general public, and are dependant upon those programs. Other policy forces, therefore, most often drive Labor Department programs, resulting in the need for remedial legislation ex post facto, by the Veterans Affairs Committees through amendments to title 38. At Labor, veterans programs serve two masters, but the Department only acknowledges one -- title 29 and its oversight by the Labor and Human Resources Committees on both sides of Capitol Hill.

Job Training Partnership Act

Of the two major federally mandated systems for the delivery of employment services, the system for providing training to the structurally and cyclically unemployed has undergone the most significant change during the last generation. Whatever its faults, the Comprehensive Employment Training Act of 1973 (CETA) began the trend toward local control of the planning and implementation of job training programs in the United States. As the members of the subcommittee are probably aware, because of this element of local control, the provision of priority services to veterans became a much more difficult objective to achieve. Communities jealously guarded local planning perogatives which responded to political forces within each county or city. Moreover, CETA substantially reduced federal monitoring and enforcement capabilities. Both the Veterans Employment and Training Service (VETS) within the Labor Department, as well as veterans service and community based organizations often fought uphill battles to assure that the vital job training needs of veterans, particularly disabled and Vietnam-era veterans, were addressed by the over 400 semi-autonomous CETA prime sponsors.

If the establishment of job training programs for veterans was a difficult task under CETA, it has proven to be nearly impossible under the CETA's successor, the Job Training Partnership Act (JTPA). Except for programs which have been developed using matching funds available under Title IV-C, it is likely that there are fewer than a dozen programs for veterans developed under titles IIA and III. As Assistant Secretary for Employment and Training, Roger Semarad recently indicatedat a meeting of the Scretary's Committee on Veterans Affairs, the Labor Department is now functioning essentially as a bank, with little if any federal policy or guidance. In fact, the Labor Department no longer collects participant data, except through a limited sampling survey of JTPA programs.

This past year, the American Legion has undertaken to introduce into JTPA, through legislation, amendments to the law which would urge local program planners to examine the needs of veterans in prteparing their JTPA programs. I use the word "urge", Mr Chairman, because we were unable to persuade the Senate's Committee on Labor and Human Resources to require such planning. The American Legion requests that members of the Veterans Affairs Committee work with their colleagues on the House Education and Labor Committee to incorporate such a requirement by amendment to S 2069, now under consideration by that committee. We also request that the funding level for title IV-C, now at slightly under $10 million, be reviewed carefully. It is our belief that $10 million out of a $3.4 billion program which otherwise makes no attempt to deal with the job training needs of veterans is in serious need of substantial increase, particularly when it is used to leverage other JTPA dollars.

The Employment Service

Mr. Chairman, some months ago, The American Legion learned that the Labor Department's Employment and Training Administration, working in consultation both with state agencies and interest groups such as the National Alliance of Business (NAB), was considering a number of policy options for making some major changes in the nation's labor exchange system, the public employment service. We have heard about a number of changes being discussed, including what the Department of Labor calls "devolvement" or "devolution", as well as proposals to subsume the Employment Service (ES) under JTPA. It is highly probable that no matter what these changes may ultimately be, they will have an adverse effect upon veterans, who for the past fifty years have received preferential treatment, by law, through the Employment Service, and for whom ES is the keystone of all federally mandated veterans employment programs. There has been no consultation to date, I might add, with the veterans community about the policy directions under consideration. We do understand, however, that these policy decisions will be made prior to the end of the year, presumably in time for legislative recommendations to the 100th Congress. Thus we may very well be seeing the beginning of an initiative to put the federal government out of the labor exchange business as JTPA put it out of job training. Quite obviously, given our experience with JTPA, The American Legion will strongly oppose any effort to weaken or relinquish the federal role in the public employment service if it would adversely affect veterans preference. I am certain I don't need to point out to this distinguished body that any such change would pose a major conflict with the statutes over which this Committee has oversight, i.e., chapters 41 and 42 of title 38, United States Code.

"The New Federalism" and the Department of Labor: How could such conflicts be allowed to arise in the first place? In our estimation, it arises because of a weakness in the veterans employment and training system as adjunct of programs designed for the general public. As the Committee is well aware, the Department of Labor provides few direct services to the public. Instead, it provides federal funding to state and local governmental entities to provide those services. In providing federal funds, however, the Department has traditionally exercised considerable control over how those funds are used. This federal oversight has made it possible, for example, to mandate and enforce veterans preference provided by State Employment Service Agencies.

As we have seen, however, over the past decade, the Labor Department and Congress have increasingly relinquished federal control and decision-making to State and local governments. And in the case of JTPA or CETA, did State and local governments generally include a veterans preference or emphasis in their program designs? The answer is no. Why?

Because state and local authorities view veterans as a federal responsibility. Most believe that the VA provides employment and training assistance to veterans.

The American Legion's efforts this spring to restore a veterans emphasis to JTPA met with considerable resistance both in the Senate Labor and Human Resources Committee and the Department of Labor. Neither the Committee nor the Labor Department seem willing to impose any federal requirement on JTPA programs, even if those requirements are for veterans. Committee staff have told the Legion that veterans, are in effect, the responsibility of the VA.

In essence, this "new federalism" will leave the Labor Department and the veterans it is supposed to serve, with no delivery system for job placement and training services.

We urge vigorous oversight by this subcommittee over any changes in ES proposed or discussed by the Department of Labor.

Veterans Job Training Act

Mr. Chairman, much of our testimony thus far has dealt with major changes in the employment and employment training system for veterans. In considering such changes, we cannot leave out the Veterans Job Training Act (VJTA) which, after a series of seemingly endless threats to its existence over the past three years, has recently obtained a $35 million lease on life, thanks to your efforts, those of your colleagues on the Committee, Congressman Boland, and a number of your dedicated counterparts in the Senate. That life, we suspect, is liable still to be short. Contrary to the wisdom of those program opponents, enrollments and placement in VJTA are up sharply, and we foresee exhaustion of this newest funding prior to the end of the program, illustrating to us that, as much as ever, this nation's veterans are still in need of a longterm job training program to address their structural employment and underemployment needs. We are presently dealing with a complicated and evolving programatic and budgetary equation, however, and we would suggest to you and your colleagues that between now and the beginning of the next Congress, we all need to do some creative thinking about how we best protect and improve federally mandated employment services for veterans. In our estimation, new legislation will be needed to strengthen and preserve veterans preference in a viable national labor exchange system, as well as to develop for the first time an employment and training program for veterans, the very existence of which is not completely at the mercy of budgetary exigencies,or theories of new federalism or privatization.

Mr. Chairman, I would now like to address some specific matters with regard to current programs and procedures affecting the Labor Department's services to veterans.

The Amewrican Legion continues to be concerned about the Labor Department's piloting and promotion of Validity Generalization (VG), that procedure whereby ES offices administer the General Aptitude Test Battery to clients in order to determine referral priority for incoming job orders. The "validity" of Validity Generalization quite aside, (and we do have serious questions about the basic premise of VG and its independant scholarly verification), our objections to VG are twofold. First, there is no consistent veterans preference mechanism built into VG, except for some nebulous guidelines provided by the ASVET. If, for example, veterans preference is to be given based upon percentile ranking, how is that to work? Does that mean -- as is the case in Utah -- that all veterans scoring within the top one percentile are referred ahead of those non-veterans scoring in the same percentile? Or does it mean that veterans scoring in the top ten percentile will be referred ahead of non-veterans scoring in the same ten percentile group? Does it mean that job orders are held for veterans for 24 hours or 2 hours. We have been told by both Labor Department and ES officials that VG is a pilot project and that the mechanism of veterans preference ought to be determined by an individual state, rather than dictated by the ASVET. If that is a case, we propose that a formal certification system for veterans preference under VG be established, where by the ASVET must certify that the mechanism adequately provides for veterans preference required by law. Our second objection to VG is the overreliance placed upon the test itself. We contend that there are no small number of persons, including veterans, who may otherwise be qualified, yet are poor at taking tests. In addition, we think that the role of LVERs and DVOPs is at present illdefined under VG, where many offices are now performing "group intake". It is our view that LVERs and DVOPs have been placed in ES offices to provide intensive placement services, as well as general veterans benefit information to the veteran. We believe VG, as currently practiced in some VG offices, negates that key role. Finally, we believe that a veteran, or indeed any applicant, with a good work history may not be best served by a system which relies so heavily on aptitude test scores.

Mr. Chairman, as you are well aware, the Administration has proposed reducing the number of LVERs funded by the Department of Labor in 1987. This decrease in funding is purportedly owing to changes in regulations which eliminate consideration of local office veteran population in determining whether there is a need for a fulltime LVER and, instead, depend solely on local Job Service office activity. In examining the reasoning behind this proposed reduction in the Administration's budget submission it is perhaps more enlightening to examine the justification in the budget itself: "The number of LVERs, " the document says, "is determined by the amount available (emphasis added), divided by the FY 1987 average cost per staff year." What this is telling us, Mr. Chairman, is that in this top-down process, need for services was nowhere considered in the Administration's budget, despite the fact that the law (38 USC 2004) is very explicit about need as the single determining factor in the fulltime status of these positions. Even if one were to accept the ostensible reason for these reductions, the single criterion of local office activity is, by its very nature, regressive and will discourage many local office managers experiencing staff cuts in other areas to permit Disabled Veterans Outreach Program (DVOP) and LVER staff to conduct the outreach required by law. The regulations reward offices with minimal contact with the veterans community by allowing them to assign LVERs to other, non-veteran duties. We have recently provided to your staff some proposed language which would amend 38 USC 2004 to delineate clearly the criteria for assignment of LVERS, similar to the criteria now used for determining the number of DVOPs. We urge expeditious consideration of this proposal by the Committee on Veterans Affairs with a view toward House passage in sufficient time for Senate action during this session of Congress.

Mr Chairman, that concludes my statement. As always, we at The American Legion are grateful for the opportunity to discuss our views before the subcommittee.

The American Legion

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OFFICE OF THE
NATIONAL COMMANDER

June 12, 1986

Honorable William E. Brock
Secretary of Labor
Washington, D.C. 20210

Dear Secretary Brock:

Recently, The American Legion has become aware of a major consultation effort undertaken by the Department of Labor to reconsider the basic principles guiding the Employment Service (ES), with a view toward developing both short and long term policy options for the future of the ES system.

As you are aware, this Nation's veterans have a vital stake in ES. While the Veterans Administration provides many of the essential readjustment and restoration services for veterans, including medical care, housing and education assistance, and disability compensation, Congress has specifically assigned the responsibility for employment and employment training to your Department. Since the passage of the Wagner-Peyser Act in 1933, the ES system has provided preferential assistance for our veterans, along with special staff and programs. This responsibility was reemphasized with the passage of the original GI Bill of 1944, and has been reconfirmed by subsequent legislation over the years. Chapters 41, 42, and 43 of title 38, United States Code, have specifically codified the basic veterans provisions of the Wagner-Peyser Act.

Thus, the Employment Service is as much the keystone of the federal government's veterans employment and training programs as the VA hospital system is for medical care.

In view of this historic relationship, Mr. Secretary, The American Legion is distressed that the veterans community has not been included in the consultation process. We simply do not understand how the future of the Employment Service can be pondered and debated without the substantive advice and counsel of representatives of the veterans community which the ES has served so faithfully for half a century.

We would, therefore, like to request a personal meeting with you and our Director of Economics, Dennis K. Rhoades, at your earliest convenience to discuss the present ES policy review process and its implications for veterans. Hopefully, we will be able to identify what steps we can take, working together, to assure that veterans continue to receive priority services from the national labor exchange delivery system, as well as in other Department of Labor programs.

Sincerely,

Dale L. Renaud

DALE L. RENAUD
National Commander

The
American
Legion

For God and Country

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July 15, 1986

Honorable Dennis Whitfield
Under Secretary of Labor
Washington, D.C. 20210

Dear Mr. Under Secretary:

I appreciate the time you took to meet with me and other representatives from The American Legion to discuss the involvement of the veterans community in the consultation process concerning the future of the Employment Service. There is no question that substantive discussion of the principal issues in the next few months may forstall misunderstandings and delays next year.

As I understand our agreement, the Employment and Training Administration will appoint to the Employment Service Consultation Group one additional veterans representative each to the Role of Government, Services, and Financing Work groups, in addition to the two veterans representatives already serving on the Clients/Targeting and Coordination Work groups. We have further agreed that the Secretary shall establish a special subcommittee of the Secretary's Committee on Veterans Affairs, which will serve as an overall policy review group, to work with the OASVET and ETA, as policy options are discussed and refined.

Given the constricted timelines for policy development, as articulated by Assistant Secretary Semerad in his April 14, 1986 paper, "Review of the Employment Service," I would urge the Department to expedite these arrangements so that the special subcommittee may meet in early August.

On behalf of The American Legion, I look forward to working with the Department on this vital issue.

Sincerely yours,

DENNIS K. RHOADES
Director of Economics

STATEMENT OF

JAMES G. BOURIE

NATIONAL SERVICE DIRECTOR

AMVETS

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON VETERANS AFFAIRS

SUBCOMMITTEE ON EDUCATION, TRAINING & EMPLOYMENT

ON

VETERANS EMPLOYMENT AND TRAINING PROGRAMS

JULY 16, 1986

Mr. Chairman and members of this committee, the American Veterans of WWII, Korea and Vietnam (AMVETS) appreciates the opportunity to appear here today to offer its views on veterans employment and training programs, services and initiatives.

It is especially appropriate to review the entire range of veterans employment and training initiatives, not only to gauge their success, or failure, but to fully understand their direction and what will, or will not, be accomplished in the future. And the future of veterans employment and training programs does indeed concern AMVETS greatly.

In the past AMVETS has actively supported all veteran employment and training initiatives that were intended to provide veterans of all eras the opportunity for economic independence and self-dignity. With the other veterans service organizations, we have sought to create the position of Assistant Secretary for Veterans Employment and Training to direct and coordinate all veterans employment and training programs within the Department of Labor because we felt, as we do now, that those programs are of special concern to the nation and that veterans are in need of specially tailored programs and services. Our support for veterans employment and training initiatives has not faltered; we remained steadfastly committed to veterans employment and training programs.

It is argued by some that there is no current need for special veterans employment and training programs; that veterans unemployment rates have shown a falling off to a level, in some categories, below that of non-veterans. The Bureau of Labor Statistics (BLS) reports for June that the national unemployment rate was 7.0 percent and for veterans age 30-34 at 7.9 percent versus 5.5 percent for non-veterans; age 35-39 veterans at 4.7 percent versus 4.8 percent and veterans age 40-44 at 3.6 percent versus 5.2 percent for non-veterans. Given those figures, one would assume a bright employment picture for veterans, calling into question the continued need for the expenditure of millions for veterans employment and training programs. However, we must not delude ourself over statistics that do not by any stretch of the imagination reflect what we feel is a more accurate assessment of the need for continued emphasis on veterans employment and training programs.

That statement is grounded in part by BLS' own study on disabled veterans released March 31, 1986. It concluded, to no one's surprise in the veteran community, that Vietnam veterans have a "more difficult time in the labor market than other veteran groups". This is especially true for those veterans with service-connected disabilities, and there are two and one-half million veterans with service-connected disabilities, 770,000 from the Vietnam era alone. We can hone in on the unemployment situation for minorities who are Vietnam veterans at 14.1 percent (versus 5.4 percent for whites and 6.3 percent for Hispanics) and also for Native American veterans where some estimates are over 60 percent unemployment.

This situation is substantiated to an extent by the two-year nationwide Public Forums conducted by the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped. AMVETS participated in most of them and heard first-hand of the difficulties veterans encountered in finding both federal and private sector employment. We heard of the employment bias that exists against Vietnam era veterans; the lack of veterans employment and training programs; unresponsive state Job Service offices and of the unsuccessful efforts of veterans to find jobs. At the Salt Lake City Forum on April 4, AMVETS and other panel members heard common comments like: the federal government is one of the worst when it comes to hiring and accommodating disabled veterans; employers continue to discriminate on the basis of handicap plus being a Vietnam veteran; on Native American veterans, nobody wants to come to the reservation and offer us programs offered to other veterans; the office of the Federal Contract Compliance Programs (OFCCP) is "toothless" and the Federal Contract Job List (FCJL) is a joke. The Committee on Disabled Veterans had prepared the Employment and Disabled Veterans, a Blueprint for Action report incorporated all Forum comments and recommendations. That report concluded a "lack of communication and coordination among government agencies providing services to veterans"; and the inability to tailor employment programs for disabled veterans. The report indeed makes good reading and covers comments of disabled veterans; veterans service organizations; public agencies; employers; and others. The report further recommended the consolidation or redesign of all special employment programs available to veterans; greater inter(intra) agency cooperation; educate private sector employers to reasonable accommodation; to dissuade eligible veterans from economic disincentives to work; the imagery associated with veterans, particularly Vietnam, status and finally a commitment from the federal government to the hiring of disabled veterans.

Mr. Chairman, AMVETS sees further proof of the employment and training situation for veterans in its National Service Program, the second largest of any Veterans Service Organization. During 1985, AMVETS nationwide cadre of National Service Officers made nearly 300,000 contacts with veterans. Of that amount about ten percent were in need of employment and training assistance. For 1986, our NSOs expect over 500,000 contacts with a projected increase in veterans employment and training assistance. Our mobile outreach vans have also experienced a greater incidence of employment and training inquiries from those veterans who live in rural and otherwise inaccessible geographic areas.

Given the situation then, AMVETS firmly believes in the need and continuation of veterans employment and training programs and initiatives specifically targeted and tailored. Not merely outreach and public information efforts.

When veterans employment and training programs are discussed we, of course, look to the Department of Labor's Office of Assistant Secretary for Veterans' Employment and Training as that office, under 38 U.S.C. 2002A, is to serve as the principal advisor on veterans employment and training matters to the Secretary of Labor and to comply with Chapters 41 and 42 of Title 38 U.S.C. And in order for the Office of the Assistant Secretary for Veterans Employment and Training (OASVET) to fully comply with those provisions, it must be fully funded and staffed. In FY86, for the OASVET, $12.4 million to sustain 282 national and field positions was appropriated; an amount AMVETS is comfortable with except that needed and necessary travel funds were reduced by some $400,000 causing some hardship on national and field staffs. For FY87, the OASVET's budget is proposed at $13.1 million to support 279 personnel at the national and state levels. An amount AMVETS feels is only adequate; and again travel funds have been cut. Further, at a recent management meeting with the Regional Directors, one agenda item was how a 20 percent cut might be implemented and a discussion of the department's overall goals and objectives which, in fact, do not include veterans. These are not encouraging signs.

Currently, the OASVET is involved in a variety of veterans employment and training programs and initiatives; not all of them in our view will greatly aid veterans. For example, while we empathize with the plight of the homeless, especially homeless veterans, we question whether the homeless veteran project funds might not be better spent in more substantive veterans employment and training programs where greater benefits may be derived. The discharge program is one that we are in agreement with. Recently discharged veterans need to be fully apprised of their benefits--all benefits. One particular program that has caused AMVETS some concern in its early stages is the grant of $250,000 to the Michigan Employment Security Agency to develop a nationwide model to encourage employers to use the Job Service. At a Secretary of Labor's Veterans Committee meeting a synopsis of the grant was distributed and AMVETS took strong exception that $250,000 under Title IVC of the Job Training Programs Act will be used to increase employer use of the Job Service. There was no mention of veterans. Only after the Veterans Service Organizations raised their objections was the grant modified to include veteran participation. A fourth program is the Veterans Job Training Program (VJTP), administered in cooperation with the VA. This "OJT" program has wide support yet modest participation. AMVETS has trained eight National Service Officers under it. As of June, the VJTA had 478,243 veteran applicants; 60,988 employer applications approved; 139,578 job slots approved and 42,603 veterans found jobs--less than ten percent. Then what becomes of the other ninety percent who have not found jobs. We submit that most are the "hard core" unemployed; the most difficult to place; the ones who are in true need of programs to make them job ready. We do not readily accept the rational that those veterans who have not been placed have found other employment through the Job Service. Centaur Associates, Inc., in its report of May 27, 1985, on the VJTP, points out that whites are more likely to be placed than blacks; more educated veterans will be placed and those veterans with good employment records will be placed. Of particular concern is the dropout rate which was at that time 56 percent; 30 percent for blacks and 44 percent for whites. There is some comfort in the fact that the average wage was $6.00/hour and that many participants found employment in fields which are growing and offer the veteran a real future. In a sense then, the VJTP is a success, albiet for a limited group, those that are best qualified and job ready. But what of those not job ready and of other eras? Do they also not deserve the opportunity to participate? Recent amendments to the VJTP will go a long way in increasing veteran participation; however, we still need to address the issue of those that are "hard core" unemployed.

Particularly devastating to AMVETS is Title IVC of the Job Training Program Act. We have maintained that those available funds, about $9.7 million in FY86 are too meager to be meaningful.

In FY87 only $10.5 million will be available to the OASVET. Veterans have been shut-out of the larger JTPA programs, no special emphasis is placed on veterans in Titles II and III. In a recent BLS survey, 24.3 percent of all displaced workers are veterans. The survey concludes that veterans are not being served in Titles II and III of the JTPA and that of the 1.25 million veterans that are currently displaced, Vietnam veterans accounted for 38 percent. Service Delivery Areas and indeed the Employment Training Administration (ETA) have made no overt efforts to include veterans. It's as if veterans do not exist for them. This is plain unfair and wrongheaded. There are JTPA statistics on minorities; females; public assistance recipients; youth; school dropouts and others, but no statistics on veteran participation in Titles II and III. To say the least AMVETS is bitterly disappointed--at Congress' refusal to increase Title IVC funding; at the OASVET in its lack to aggressively pursue greater veteran participation; at ETA for its refusal to include, let alone track, veterans and in the Secretary of Labor for his inactivity.

Even the department's own veteran hiring record is less than sterling. As of March 31, 1986, OPM reports the department had 18,086 total employees, 5,802 (32.1 percent) veteran preference eligibles; 8.4 percent are Vietnam era veterans and only 814 disabled veterans. The department hired only 39 employees under the VRA special hiring authority for 0.2 percent of total hires, less than most other agencies.

A final note on veterans employment and training programs. There can be no substantive programs unless there is outreach, training and placement. Without those vital elements we will continue to suffer hard core problems--for veterans of all eras. The time is now to re-evaluate past programs, their successes and failures, to design and implement more meaningful veterans employment and training programs.

Mr. Chairman, two areas which assist veterans find employment are the Local Veterans Employment Representatives (LVER) and Disabled Veterans Outreach Program (DVOP) specialists. Both are established by law and both are stationed in state Job Service offices across the country. DVOPs have a special mission, they are to place disabled veterans, especially those of the Vietnam era. Based on legislative formula, there are approximately 1923 DVOPs at a cost of $62.1 million for FY86. In FY87, the DVOPs will cost $69.5 million to sustain 1,894 positions, a loss of 29 DVOPs. AMVETS fully supports the DVOPs, but is concerned over recent developments. One, we understand that the OASVET is contemplating regulations allowing ten percent DVOPs be non-veterans. Further, we hear of reports that nonqualified individuals are being appointed as DVOPs; that DVOPs are being used for non-veteran Job Service placement work; that funds earmarked for DVOPs are being misdirected and that some states are not filling mandated DVOP slots. We also suspect the OMB is directing the funding forcing the OASVET to "cook" the DVOP numbers to justify the OMB mandated funding level.

Similar issues surround the LVERs. In FY86, $52.7 million was approved to support 1,565 positions, down 109; in FY87, $48.9 million is needed to sustain 1,377 positions, a loss of 188 LVERs. Given that both DVOP and LVER programs consume over $100 million annually, it would not surprise AMVETS to learn that either OMB or the Department of Labor has laid plans for their elimination. If not by direct legislative assault, then by the appropriation process and/or regulation. Let us not drop our guard on these programs for AMVETS believes that they are most vunerable to elimination.

Mr. Chairman, changes are also in the wind for the OASVET. A recent reorganization plan is under consideration to be implemented the first quarter of FY87, if approved. This plan would create a variety of new field positions at the regional and state levels to promote a "single" chain of command. One position is a Veterans Program Specialist, a GS-12 position responsible for all veterans employment, re-employment and training programs within a given geographic area. We are concerned that this position would

(1) displace the current Assistant State Directors of Veterans Employment Training Service (ASDVETS) system and (2) be a possible "dumping ground" for unwanted Department of Labor employees. Further, there is no requirement that any of the new positions be veteran qualified or have state residency requirements; nor do we fully understand how at least some of the new positions square with existing legislation under Chapter 41 of Title 38, U.S.C. Perhaps our most basic concern is that in an OASVET reorganization, the spirit, purpose and intent of 38 U.S.C. 2002 will become diluted and that we slide back to the days when the Veterans Employment Training Service (VETS) was used to place unwanted department employees.

We believe that the OASVET needs to take an aggressive and tougher stand with the Employment Training Administration (ETA), the Employment Service and especially with the OFCCP. There is really nothing positive to say about OFCCP and the way it has handled its responsibilities under 38 U.S.C. 2012. We are unimpressed by increased veteran caseload or other OFCCP activity as regard to veterans as our contact with various VETS field personnel tell us otherwise. It is an area that needs to be addressed, the sooner the better. We further note that the OASVET has proposed a regulatory rule change allowing federal contractors to report at least annually under 38 U.S.C. 2012(a).

Under the contemplated rules, one alternative is to have a contractual arrangement made with the EEOC to distribute, receive and process a one page veterans' report like the EEO-1 form. Any alternative to shift section 2012 responsibility from OFCCP will be opposed by AMVETS. It is OFCCP's legislative mandate to ensure complete adherence to Section 2012. We take no issue with annual reports or incorporating veteran information on the EEO-1 form. However, the form is used by federal contractors with contracts of $50,000 or more versus $10,000 under Section 2012. How then will the OASVET identify $10,000 contractors; how is it done now? What will be the cost in resources to the OASVET and what then will be the role of OFCCP if the OASVET identifies all $10,000 contractors (an unlikely prospect) and EEOC collects and tabulates all the reports?

After all is said, veterans still depend on their local state Job Service office as the primary job finding resource. But even there they will soon encounter greater problems as Validity Generalization (VG) becomes an increasing reality. As you are aware, VG is a test given to all state Job Service applicants who are then ranked numerically. It is currently applied in some 35 states. Trouble is, there is no veterans preference applied as required by 38 U.S.C. 2002. Veterans are given no special treatment or consideration. If they score high, great; if they score low, too bad--no job referral. While the OASVET, and to an extent ETA, has given the Veterans Service Organizations assurances of veterans preference, we cannot at this time be absolutely certain of its application. Currently, the OASVET is conducting a VG Survey of its Regional Directors Veterans Employment Training Service with results due June 12. Nonetheless, what of the veterans who are not familiar with tests; who have disabilities or could, if given the opportunity, do the job well? VG as applied, merely tests one's general aptitude and does not take into account so many other mitigating factors to successful employment. It also flies in the face of section 2002 and AMVETS feels that without veterans preference, VG will deny many veterans access to the job market.

Mr. Chairman, "devolvement" of the Job Service is another issue that has not gone away. Our understanding is that under "devolvement" larger states would benefit and smaller states would not. We have not seen any reports or studies to draw a conclusion one way or the other. Nonetheless, should "devolvement" come to pass AMVETS would insist that all of the veteran services currently implemented through the Job Service be maintained. That State Job Service offices should not be allowed to design and implement their own brand of veteran services.

In summary, AMVETS feels that the future direction of the Office of the OASVET is still unclear. It may very well be caught between its mission and the budget cutters who would like to gut it. AMVETS certainly applauds Mr. Shasteen's leadership under difficult circumstances and realizes that he cannot accomplish or direct compliance from programs he cannot control nor influence. Nonetheless, AMVETS feels that a more active posture with OFCCP, the JTPA, the FCJL, and with states who refuse to fully comply with the LVER and DVOP is indeed needed. We see challenges on the horizon and we can only hope that the ASVET will rise to those challenges. AMVETS stands ready to assist the ASVET in any positive manner possible and we stand beside him to ensure that every veteran who seeks employment be given that opportunity.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION,
EMPLOYMENT AND TRAINING
OF THE
HOUSE VETERANS AFFAIRS COMMITTEE
JULY 16, 1986

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans and its ladies Auxiliary, I am pleased to appear before you to discuss the employment and training programs administered by the Department of Labor.

At the outset, Mr. Chairman, let me thank you for your ongoing concern and interest in employment and training programs that are developed through either the legislative or administrative process. I think we all can agree that the design of these programs is well intentioned but that their implementation is sometimes less than effective.

As you know, there have been numerous legislative mandates as well as administratively developed programs designed to alleviate the unemployment problems of veterans, Vietnam era veterans and disabled veterans. Based on the recent data released by the Department of Labor's Bureau of Labor Statistics, we must conclude that Vietnam theater veterans and disabled veterans have not benefited as extensively as the architects of these programs would have desired.

These data confirm what many have believed relative to Vietnam theater veterans having a higher unemployment rate than Vietnam era veterans. They also validate what others have believed and documented through earlier studies -- disabled veterans' unemployment is a blight on our nation's conscience.

The following information is taken from the data provided by the Department of Labor and reflects select unemployment rates as of April 1985:

UNEMPLOYMENT RATES

All veterans	5.5%
All veterans with service-connected disabilities	7.6%
All veterans without service-connected disabilities	5.3%
All Vietnam era veterans	6.0%

Vietnam theater veterans.	6.7%
Service-connected Vietnam theater veterans.	9.2%
Vietnam theater veterans without S/C disabilities . . .	6.2%
Vietnam era veterans (did not serve in Southeast Asia).	5.4%

Fourteen percent of the Vietnam theater veterans reported disabilities "that hampered their ability to work."

Eleven percent of those who served in other wars reported disabilities "that hampered their ability to work."

Of those Vietnam theater veterans with disabilities, 81 percent were in the labor force. (NOTE: A full 19 percent weren't in the labor force. That means that they're unemployed, but not counted as unemployed in the job-seeking market.)

For all Vietnam era veterans with service-connected disabilities, note the following:

A. Veterans less than 30% disabled -- 92% were in the labor force.
B. Veterans 30% to 50% disabled -- 79% were in the labor force.
C. Veterans 60% and higher disabled -- 33% were in the labor force.

Mr. Chairman, we believe it is significant to point out that 67 percent -- two-thirds of all disabled Vietnam era veterans with disability ratings of 60 percent and higher -- are not even looking for employment. Many reasons may be offered for this high percentage, but it's obvious that innovative programs must be designed to bring these people into the work force, and provide meaningful employment opportunities for them.

Those with disabilities rated 30 percent to 50 percent who served in the Vietnam theater have the highest official unemployment rate -- 16 percent.

The employment profile on minority veterans is also very disappointing. Black Vietnam theater veterans' unemployment is two and one-half to three times higher than white veterans.

Black Vietnam theater veterans -- 14.1%

Mr. Chairman, it is also interesting to note that of the veterans who are employed, significant percentages are employed by federal, state or local governments:

All veterans 18%
Vietnam theater veterans 22%
Service-connected Vietnam era veterans . 33%

Mr. Chairman, we must ask why nearly 20 percent of all service-connected disabled veterans, and two-thirds of those rated 60 percent and above are no longer seeking employment.

If we look at past programs such as CETA, HIRE I and II, JTPA, EVJTA and Targeted Jobs Tax Credit, we find that most, if not all, had some priority indication for disabled veterans. All of these programs have failed to make a significant dent in the unemployment status of all too many service-connected disabled veterans.

The results of these data have led us to contact VA Administrator Turnage suggesting that the VA, primarily through the Vocational Rehabilitation Program, take a more active role in addressing the needs of these deserving disabled veterans. By virtue of being unemployed and having service-connected disabilities, it would appear that these individuals have prima facie eligibility for Vocational Rehabilitation services.

We have also contacted Assistant Secretary of Labor Donald Shasteen suggesting that individuals employed in the Disabled Veterans Outreach Program (DVOP) devote full-time in outreaching to these service-connected disabled veterans in order to offer services that are available, including vocational rehabilitation. We believe with the combined efforts of the VA's Vocational Rehabilitation staff and the more than 1,800 DVOPs, that individualized employment assistance plans could be developed which should result in significant job development. Other skill deficiencies could be identified and addressed.

We believe the words of Janet Norwood, Commissioner of the Bureau of Labor Statistics, provides insight to how this situation should be approached:

> "We tend to look for aggregate solutions, and pay too little attention to the need for the particular solutions for particular groups." (The Wall Street Journal, December 6, 1985)

Mr. Chairman, I submit to you that we must come up with particular solutions for this particular group -- service-connected disabled veterans.

Mr. Chairman, as indicated in our letter to Administrator Turnage, the Department of Labor has been the lead agency identified to provide employment and training services to our nation's veterans. However, in our opinion, DOL has failed to do so for the service-connected disabled veteran. Therefore, we believe the drastic measure of asking the VA to be the lead agency is not only necessary but appropriate at this time.

Mr. Chairman, we must also ask ourselves what has happened to the outreach efforts of those individuals employed under the Disabled Veterans Outreach Program (DVOP). As you will recall, when the program was first initiated as a temporary administration initiated program in 1977, the VA cooperated with the Department of Labor and provided names and addresses of service-connected Vietnam era veterans for outreach purposes. Despite the efforts of DVOP personnel over the past eight or nine years, a high percentage of service-connected disabled veterans have not benefited from this massive outreach effort.

We must ask why? We must ask in light of these deplorable statistics, what duties DVOP personnel are now performing? We must now ask if the VA were to again provide the list of disabled veterans, would the offer of services be any better received? We must ask, are we ready, able and willing to provide the necessary services to assure that any disabled veteran responding to any outreach effort is indeed provided with individualized meaningful employment services, or is he or she again going to become another statistic? We must ask is the Department of Labor's United States Employment Service ready and willing to commit its resources to this task? We must ask are VETS and OFCCP ready and willing to commit their resources to assuring that federal contractors are aware of their affirmative action requirements and are they prepared to assist those federal contractors in meeting those requirements?

Mr. Chairman, as indicated in a June 27, 1986 letter to Assistant Secretary Shasteen, we believe that the original intent of DVOP has not yet met its full potential.

We believe that the DVOP effort must be renewed and the field staff of VETS must be ready to assure that all DVOP personnel are dedicated by their office managers to perform no other activity or ancillary duty other than devoting full-time to the reaching out to disabled veterans in order to provide them necessary services which will result in increased employment opportunities.

Mr. Chairman, the task before us is great. But I believe if this Administration is willing to commit its existing resources to alleviating this problem, much can be accomplished.

Mr. Chairman, there is also a role for the recently established Committee on Employer Support for Veterans' Employment (CESVE) established by former VA Administrator Harry N. Walters. While this committee is in its infancy, we believe that the Director of CESVE should advise the participating employers of the existing situation and request that these employers make a commitment to work with the local vocational rehabilitation staff and DVOP personnel to identify disabled veterans who are likely candidates for employment with their companies. We do not suggest that these companies "pledge" their support for hiring disabled veterans, but rather identify actual jobs for disabled veterans.

Federal Contractor Job Listing (FCJL/Affirmative Action)

Mr. Chairman, as I am sure you will recall, on October 14, 1982 Congress enacted the Veterans' Compensation, Education and Employment Amendments of 1982 (P.L. 97-306). This Act, among other things, required that federal contractors submit a report at least annually to the Secretary of Labor relative to affirmative action efforts on behalf of disabled and Vietnam era veterans. On May 28, 1986, almost four years after the enactment of the legislation, the Department of Labor's Office of Veterans' Employment and Training Services has published a "Proposed rule" implementing Section 310(a) of the 1982 Act.

On August 19, 1985, the Department of Labor published an "Advance Notice of Proposed Rule Making" in the federal register. It took a little over ten months for DOL to publish this Proposed rule. Will it take another ten months before we have a final rule? At the risk of overkill, let me repeat for the record that Section 310(a) of Public Law 97-306 stated in part, "within 90 days after the date of enactment of this act, the Secretary of Labor shall prescribe regulations...." Mr. Chairman, it is taking almost four years or almost 1,460 days -- considerably longer than the Congressional mandate.

Mr. Chairman, I had an opportunity to review some of the responses received subsequent to the October advance notice and found several objections to the new report requirement. Several respondents although recognizing the legal responsibility, suggested that no report be required because, for reporting purposes, there will no longer be Vietnam era veterans after 1991. By the time all is said and done, the Department of Labor will have used up approximately half of the time left (until the expiration date of 1991) before a final regulation is effectuated and at least another year will go by before the first reports will be amassed, reviewed, analyzed and, perhaps, acted upon.

Mr. Chairman, it is exactly this type of bureaucratic foot-dragging that compels us to continue our criticism of the Department of Labor. In spite of the more than ten years of criticism, review and oversight, increased staff, funding authority and status within the Department of Labor, the goal of providing "the maximum of employment and training opportunities" as mandated by Section 2002, Title 38, U. S. Code has not been attained.

A high percentage of our service-connected disabled veterans are still unable to say with pride that they have a meaningful, rewarding career.

Mr. Chairman, the annual report required of federal contractors is only one small part of the requirements of Section 2012, Title 38, U. S. Code. While we are pleased to report that OFCCP has taken some positive steps (which I will discuss later) I must first talk about some of the continuing deficiencies.

In our prepared statement of May 22, 1985, we indicated that OFCCP had no way of monitoring federal contractors' compliance with the requirement to "advance in employment" covered veterans. To date they have not issued any guidance to the field nor have they amended their compliance review process to adopt a measurement to assess employers compliance with that provision.

Contractors continue to be allowed to have their affirmative action clause for covered veterans by reference rather than as a specific provision of the contract. The program continues to be complaint oriented rather than compliance oriented.

On May 17, 1985, I wrote to Secretary of Labor William E. Brock requesting information on amendments or additions made to the procurement rules and regulations as required by Executive Order 11701. As of this date, the Secretary has not responded to my request.

The National Self Monitoring Reporting System (NSMRS) apparently continues as indicated last year without any provision for assessing contractors' efforts on behalf of disabled and Vietnam era veterans.

On page six of our prepared testimony of May 22, 1985, we discussed 12 provisions of the Memorandum of Understanding between the Office of Assistant Secretary for Veterans'

Employment and Training and OFCCP. Many of those deficiencies continue unabated.

Mr. Chairman, last week I had the opportunity to attend an award ceremony sponsored by OFCCP. This event was to honor 11 federal contractors who were selected by OFCCP to receive an Exemplary Voluntary Efforts (EVE) Award.

This award was initiated in 1983 and is intended to recognize contractors and contractor associations "who have exhibited outstanding and innovative efforts in implementing special programs in outreach and recruitment to increase the employment opportunities of minorities, women, handicapped individuals, disabled veterans and veterans of the Vietnam era. The specific voluntary and innovative efforts exceed action prescribed by the regulations." (Emphasis added.)

Mr. Chairman, 11 contractors received this award but not one was cited for its "innovative efforts" on behalf of disabled veterans or veterans of the Vietnam era. We must ask is this because there are no contractors worthy of this award? We think not. We do believe that there are many deserving employers. Rather, we believe since selection of this award is made by OFCCP personnel who conduct compliance reviews, they just didn't think to look at contractors' records on behalf of disabled and Vietnam era veterans.

Mr. Chairman, we are pleased to be able to report that some increased activity has taken place in the Federal Contractor Job Listing (FCJL) program. In Fiscal Year 1983 veterans represented 23.4% of all referrals to FCJL openings, while Vietnam era and special disabled veterans represented 12.0% and .5% respectively. For the first three quarters of Program Year 1985 (July 1, 1985 -- March 31, 1986), veterans represented 24.8% of the referrals, Vietnam era veterans 12.4% and special disabled .7%. While the percentages are not up significantly, they do indicate that increased activity is taking place which we are pleased to see. However, we do look forward to seeing much more aggressive action.

We are also pleased to report that an increase in placement has occurred. In Fiscal Year 1983, there were nearly 35,000 job openings listed with the employment service. Veterans were placed in 14.2% of those jobs while Vietnam era and special disabled represented 7.5% and .38%, respectively. For the Program Year 1985, there were 309,000 job openings listed. Veterans were placed in 15.9% of these positions while Vietnam era and disabled veterans experienced placement rates of 8.1% and .64%, respectively. Again, while there has been some increase, I must point out that less than 10% of the openings were filled by the covered veterans.

We encourage the Department of Labor to continue its efforts in the FCJL Program and we believe the annual report will be beneficial in assisting the Department of Labor to monitor federal contract compliance.

Mr. Chairman, another positive action on the part of OFCCP recently came to our attention. One of the Area Directors of OFCCP learned that a specific contractor may have been in noncompliance with Section 2012 relative to the listing of appropriate job openings. In a very professional manner, the Area Director reminded the contractor of his obligation and offered the assistance of his office. This is the type of compliance oriented action that we would like to see continued and expanded. We congratulate that Area Office Director for his astuteness on this issue.

On the other hand, Mr. Chairman, something came to my attention that leads me to believe that additional training needs to be provided to the VETS Field Staff. I recently received a copy of a letter sent from a State Director for Veterans' Employment and Training to the Regional Office of OFCCP on behalf of a veteran. While this would seem appropriate on the surface, the veteran's complaint was not against the federal contractor but against a federal agency -- OFCCP does not have jurisdiction over complaints of discrimination against federal agencies.

While this individual may have been well intentioned, his obvious lack of knowledge about the law and regulations for covered veterans was obvious. We brought this to the attention of Assistant Secretary Shasteen and have been assured that "guidance to our Field Staff regarding processing of veterans' complaints" is anticipated in the very near future. We look forward to seeing that guidance soon.

Mr. Chairman, that concludes my prepared statement and I would be happy to respond to any questions.

STATEMENT OF

DENNIS M. CULLINAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

OVERSIGHT OF THE DEPARTMENT OF LABOR'S VETERANS' EMPLOYMENT PROGRAMS

WASHINGTON, D.C. JULY 16, 1986

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the Veterans of Foreign Wars of the United States, I would like to thank you for the privilege of appearing before this distinguished Subcommittee so that we may participate in this extensive review of the Department of Labor's employment programs for veterans. The VFW commends the Chairman for having taken the initiative to hold this much needed hearing, demonstrating his and the Subcommittee's continuing concern that veterans' employment programs be properly maintained and implemented.

The Secretary of Labor and the Assistant Secretary for Veterans' Employment and Training (ASVET) should promote greater awareness in the private sector of veterans' employment and training issues as well as targeting Private Industry Councils to conduct a needs assessment of veterans' employment and training issues at the local level and develop programs accordingly.

The ASVET has lightly and ineffectively promoted awareness in the private sector of the concerns of the veterans' community.

We emphasize that the ASVET must contact the Governors in service delivery areas to determine if they have targeted veterans in their planning process. We suggest that the ASVET conduct a national forum concerning veterans' employment and training; that the ASVET prepare a letter to all members of the Congress of the United States suggesting that they make strong statements of support of veterans' employment and training and include other materials to promote their awareness of veterans' issues. It was recommended that the ASVET formally request the National Commission for Employment Policy conduct a longitudinal study concerning Vietnam veterans employment between 1964 and the present, with special emphasis on combat theater, disabled and minority veterans.

It is felt that the ASVET, as the congressionally mandated advocate for veterans' employment, should assume a national leadership role in all veterans' employment and training issues. He should develop a realistic DVOP/LVER training programs with the emphasis placed on their responsibility to conduct aggressive outreach not only within the veterans' community, but also with the labor unions and employers.

It is interesting to note that the ASVET released Memorandum 15-86, March 11, 1986. Subject: Veterans' Program Grants Under JTPA IVC, Program Year 1984. This compendium of both 80 and 20 percent grants for program year 1984 is to serve as a mechanism to generate ideas from perspective grantees, to provide a basis for exchange of information and to improve the overall performance of JTPA IVC programs. It is common knowledge that the JTPA Title IVC is inadequately funded and that at present there is no mechanism to assess the successes, failures, highlights and discrepancies of this program. The ASVET has requested that the Department of Labor Inspector General conduct such an assessment, and it is our understanding that the Inspector General does not have the expertise nor the means to conduct such an analysis. Such an in-depth review of Title IVC should be conducted by a disinterested party and recommendations be made on how to fine tune this critical program.

A cursory review of ASVET Memorandum 15-86 indicates that the majority of the 80 percent grants place extensive emphasis upon the promotion of comprehensive public awareness and outreach. Feedback indicates that the disjointed nature of the IVC grants is hindering greater awareness in the private sector of veterans' employment and training needs. In reviewing this memorandum, the Veterans of Foreign Wars certainly applauds the ASVET program emphasis which is to "fund programs for which the applicant has direct responsibility for unsubsidized job placement of participants." The ASVET proposes to ensure this by giving priority to programs designed to ensure direct responsibility for job placement. We are concerned that the limited funding levels and the broad guidelines that are provided for targeting and the large numbers of applicants for grants have rendered this program generally ineffective.

The Veterans of Foreign Wars is most concerned that the Office of the Assistant Secretary for Veterans' Employment and Training and that of the Employment and Training Administration are advancing down diverging paths. The ASVET, by law, is the national advocate for veterans' employment and training. By proxy the Assistant Secretary of the Employment and Training Administration is the major source of service delivery to veterans through the Employment Service. The Veterans of Foreign Wars was afforded the opportunity to review the goals, objectives and milestones of each agency. As a result of our review, we wrote to the Assistant Secretary of the Employment and Training Administration that "it was apparent that little emphasis was placed upon enhancing services to veterans in the goals and milestones established for ETA." We emphasized that during this austere period close liaison with all service providers is germain. We recommended that ETA closely coordinate that agency's activities with those of the Assistant Secretary for Veterans Employment and Training. We are aware that a comprehensive review of ETA is in progress.

Public Law 97-300, Job Training Partnership Act (JTPA) does not contain in Titles IIA or III any provision of priority of services to veterans. In view of ETA's proposal to make the United States Employment Service and the Unemployment Insurance Program subordinate to the JTPA structure, we are most concerned that the Employment Service, which has the responsibility to provide priority of employment services to veterans as codified in Section 65320, Code of Federal Regulations, is in dire jeopardy. In a letter written by the ASVET in 1985, "Service providers funded under Titles IIA and III of JTPA are not required to report on the number of veterans served, therefore, it is difficult to ascertain the extent of the emphasis given to enrolling veterans in these activities and to providing them employment and training services."

The Veterans of Foreign Wars strongly suggests that ETA include reporting criteria in Titles IIA and III JTPA that reflects veteran participation in these programs and to provide a mechanism to actively track the services provided to these veteran clients and accurately account for expenditures on their behalf. To our knowledge, this has not been done. In accordance with our priority and legislative goals, we encourage legislative action to correct deficiencies in JTPA and to emphasize the veterans' preference, or priority of service, in all JTPA employment and training programs. It is our contention that at present JTPA programs conducted in accordance with Titles IIA and III are providing minimum services to our nation's veterans.

Thirty-seven percent of dislocated workers are veterans. Vietnam-era veterans make up the largest veteran subgroup. The veteran participation rate is approximately nine percent. The Commander-in-Chief of the Veterans of Foreign Wars wrote to the Secretary of Labor stressing that we believe the programs under Title IVC were insufficient to meet veterans' employment and training needs and stressed the need for the ASVET and the Assistant Secretary for ETA to closely coordinate their activities to provide regulatory process that specifically requires the targeting of veterans and gives them priority of services. Secretary Brock responded to the Commander-in-Chief of the Veterans of Foreign Wars, March 27, 1986, by saying, "It is reasonable to expect the veteran participation in Title III will be maintained at about the same proportion of total enrollment up to this point." Secretary Brock further stated, "The states have flexibility in targeting the resources in accordance with the needs identified in each state, therefore, I feel a regulatory requirement, which would limit the flexibility given to the state in this regard would not be supportive of the legislative intent."

Accordingly the Commander-in-Chief has written to the Governor of each state, commonwealth and territory of the United States requesting that the Governor conduct a needs assessment of his veteran constituents in order to target these individuals for participation in JTPA programs. In addition, the Commander-in-Chief of the Veterans of Foreign Wars stressed that it is imperative that a veteran's advocate be appointed to the State Job Training Coordinating Councils. This is not required by current law. We have written to our Department Commanders and Adjutants stressing that it is imperative they interface with local employment and training service providers to monitor their activities. We have encouraged them to visit with the governor, mayor and JTPA service delivery systems to stress our concern about the chronic nature of veteran unemployment; in particular that of Vietnam combat theater, minority and disabled veterans. We have called for aggressive participation at the local level to ensure proper appropriation of funds to veteran services within the service delivery area.

The Veterans of Foreign Wars contends that the current mode of implementation of JTPA Titles IIA and III deemphasizes veterans and does not adequately fulfill the intent of Congress in the provision of priority services to disabled veterans and veterans of the Vietnam era. We further suggest that 38 USC 2002 provides the mandate for the Office of the Assistant Secretary for Veterans' Employment and Training to participate in the oversight of programs conducted in accordance with Public Law 97-300 and issue appropriate guidelines to ensure priority of services to eligible veterans as intended by Congress.

During recent years, job placement related services for disabled, Vietnam era and other veterans and eligible persons have been provided by specialized staff such as LVERs and DVOPs. The regular employment service staff are required by regulatory mandates to provide priority of services to veterans. Any attempt to devolve the Employment Service must include specific language guaranteeing that:

1. Priority of services for veterans in employment and training programs continue at a level not less than that currently required by Title 38 USC

2. Coordinate and direct adequate federal funding for LVERs and DVOPs and supplement the placement of related services provided by the labor exchange system for veterans.

3. That any reform of the labor exchange system in no way weaken the ability of the system to support the Department of Defense and mandated manpower mobilization responsibilities.

It is essential that the crisis in employment security automation be addressed before administrative funding responsibilities are provided to the states. Adequate provisions of veterans' employment services are indisputedly affiliated with the fortunes of the nation's employment service. At present each state interprets and implements a federal responsibility for veterans' priority of referral differently, and we have been informed by the Interstate Commission of Employment Security Agencies that there will never be consistency of application of veterans' priority of referral throughout the employment service. We envision devolution will further compound this problem of ensuring veterans' get quality services.

We are concerned about the administration's requirement that the employment service make greater use of private sector placement agencies. ETA is developing regulations and guidelines that require state employment services to solicit job openings from private employment agencies and refer job seekers to them so long as no fee is charged. We cannot visualize how veterans' priority of referral will be maintained through this process.

The Assistant Secretary of Labor for Veterans Employment is mandated to provide maximum employment and training opportunities to disabled veterans and veterans of the Vietnam era through existing programs, coordination and merger of programs and implementation of new programs. During this period of austere budgeting with the ASVET operating under the threat of Gramm-Rudman, he is proposing to eliminate service providers at the local level. Through inadequate funding, the Office of Management and Budget is slowly eroding key employment staff and programs. The Veterans of Foreign Wars has become aware of contingency plans that call for a reduction of local veterans' employment representatives. Another contingency plan calls for the merger of the responsibilities of the Disabled Veterans Outreach Program staff with those of the LVER.

It is unfortunate that emphasis is being placed upon the supervisory role of the LVER and that his role in job development and advancement activities as well as private sector awareness is being deemphasized. It is our contention that the DVOP, in view of the Bureau of Labor Statistics data released on March 31, 1986, must begin to place greater emphasis on his role in developing a job training specifically for disabled veterans.

Considering the lack of emphasis exercised pertaining to veterans' employment and training programs, the provision of inadequate funds and the contingency planning that is being conducted in both the ETA and ASVET offices, the Veterans of Foreign Wars contends that the Administration has established as a short-term goal a reduction in staff and program provided to veterans. The long-term objective may be the elimination of the Office of the Assistant Secretary of Veterans' Employment and Training. Operating under this hypothesis, the Veterans of Foreign Wars will not support any further reduction of service delivery personnel and will continue to fight to ensure that programs funded specifically for veterans receive priority attention. We are most concerned that the Office of the ASVET is proposing a major reorganization of the field staff that calls for postions over and above established personnel ceilings.

In reviewing the federal job listing program, the VFW found:

- o Declining referral and placement rates of veterans.
- o Poor job of investigation.
- o Lack of coordination between the Job Service and VETS.
- o Lack of emphasis placed upon veterans' affirmative action in accordance with Section 2012.
- o There are competing affirmative action claims.
- o Contractors are not aware of their responsibilities.
- o There is a need for timely sharing of information between the Job Service and VETS in contract awards.
- o The system is complaint oriented.
- o The system does not monitor contractor compliance adequately.

These concerns fall into three broad categories: communications, training, reporting and follow-up.

The Department of Labor Inspector General found that OFCCP could achieve greater impact using fewer dollars by correcting internal structural and operating weaknesses by improving its enforcement procedures and evaluating the results of agency activities. The ASVET, in Veterans' Program Letter 8-86, indicates that each state has to provide a federal contract job listing coordinator. A majority of the states have submitted a plan for utilizing the information provided. This project is to increase listings and placements. The highest ASVET priority in Program Year 1985 is the improvement of FCJL. There is a goal of a 25 percent increase in listings for Program Year 1985. It appears this will be obtained.

The United States Employment Service Initiative entitled Validity Generalization (VG) is being implemented throughout the Employment Service. To our knowledge, at present, there are 34 states that are experimenting with the VG program. Essentially, VG involves the streamlining of the Employment Services utilizing the General Aptitude Test Battery (GATB) in the job referral selection process.

Our role in the development of Validity Generalization has been oriented towards:

- o Promoting awareness in the veteran community of the benefits as well as the pitfalls to be found within the Validity Generalization process and to facilitate communications between the United States Employment Service and service organizations at the local level to promote understanding of VG and its capabilities.
- o Ensuring that the United States Employment Service provides timely and detailed guidance in order to ensure standardization of services to veterans as well as the proper utilization of the Local Veterans' Employment Representative and Disabled Veterans Outreach Program staff.

The controversial nature of Validity Generalization, the lack of standard definition of veterans' priority of referral and the inadequate dissemination of regulations to ensure that this process is followed has prohibited the Veterans of Foreign Wars from endorsing Validity Generalization.

In January of 1986 at the Secretary of Labor's Veteran Employment Committee, the then Director of the United States Employment Service stated that within "a couple of months" he would publish a Technical Assistance Guide and Field Memorandums to standardize veterans' preference and to address the testing procedures for handicapped and disabled individuals. To our knowledge, this has not been done.

According to the Validity Generalization Manual, Section B, "In those instances where the employer requests a minimum score the local office should attempt to discourage the request by explaining the scores an employer can expect to receive are dependent upon supply and demand. The local office will always refer the best available applicants and the minimum score may float on a day to day basis. If the local office is unable to discourage the employer, it should be made clear to the applicants and the employer that the employer establishes the minimum score. The primary reason for doing so is that the

Employment Service is not in a position to defend the employer's establishing of a minimum score in the event of charges of discrimination." This is significant in that conversion tables are used to compute aptitude scores for minorities.

That veterans normally score higher across-the-board in all job families, has not been substantiated. Data provided by Roanoke reflects that veterans could be expected to score better in job family three, which contains approximately 2,000 professional jobs. This job family generally requires long-term training. The average veteran will score lower in industrial job families and those requiring short-term training. Minorities are scoring higher than all others and rural veterans score significantly lower than their suburban counterparts. Veterans, then, get no edge in the scoring process which is based on a computer program supplied by DOL. Minorities receive compensatory scoring based on perceived language or cultural barriers. It is our contention that VG minimizes face-to-face contact between LVERs/DVOPs and veterans, as well as other local office staff.

The Veterans of Foreign Wars recommended that the Assistant Secretary for Veterans' Employment and Training become more involved in the VG development process and that he actively monitor and routinely disseminate pertinent VG information to his field staff. This has resulted in a field survey, which was completed on June 12, 1986. The surveyed State Directors for Veterans' Employment and Training have stated that VG has been detrimental to services to veterans.

We recommend the elimination of the special conversion tables for minorities which result in providing these groups with preference over veterans. The Veterans of Foreign Wars further recommends the ASVET, in coordination with ETA, clearly define veterans' priority of referral and disseminate through regulations, procedures for implementing and administering veterans' priority of referral. The Employment and Training Administration should actively coordinate national standardization of VG implementation, establish standardized VG procedures for processing the handicapped and disabled veterans, disseminate through regulations procedures for the implementation and administration of VG guidelines, establish a mechanism for disseminating periodic lessons learned that have been established by the model project. It is our observation that ETA and the Office of the Assistant Secretary for Veterans' Employment and Training must play a more aggressive role in defining, establishing and implementing VG.

Mr. Chairman, I would once again like to thank you and this Subcommittee for having afforded the Veterans of Foreign Wars this opportunity to testify in this area which is so crucial to our veterans well being. It may truly be said that each man's task is his life preserver and veterans above all others have certainly earned the right to be assisted in remaining afloat in this great society.

This concludes my statement. Germain Resolutions are apended to this testimony and I will be happy to respond to any questions you may have.

STATEMENT

OF

RICHARD F. WEIDMAN
Director of Government Relations

VIETNAM VETERANS OF AMERICA

Before the

Subcommittee on Education, Training and Employment
Committee on Veterans Affairs'

United States Senate

July 16,1985

Mr. Chairman, on behalf of Vietnam Veterans of America (VVA), I wish to thank you and this Committee for the opportunity to appear here today. As you know, Mr. Chairman, this is the first opportunity VVA has had to appear before the Subcommittee on Education, Training and Employment since becoming a Congressionally Chartered Veterans Service Organization. All of the officers, staff, and members of Vietnam Veterans of America extend many thanks to you, your colleagues, and especially the Chairman G.V. "Sonny" Montgomery for your unwavering support of Vietnam Veterans of America as an organization, all for the ideals that granting this recognition represents.

Vietnam Veterans of America also wishes to thank this body for your past and present efforts to assist Vietnam and disabled veterans through programs which meet the responsibilities of the same Federal government which sent them to war to assist these veterans in the three "Rs" of Readjustment, Rehabiliation, and Restoration. As General George Price (BG-USA-Ret.) so eloquently put it "The three "Rs" are a responsibility to be met, not a duty we can walk away from. That full restoration, rehabilitation, and readjustment includes full restoration of the ability to compete in the job market on a basis commensurate with the status and/or position that veterans would have enjoyed had he or she not been diminished as a result of militry service to country.

There has been much debate in the last ten years over two key concepts regarding the career and unemployment/underemployment problems of those who served in the military during Vietnam.

The first of those key concepts revolves around the contention of Vietnam Veterans of America, the Disabled American Veterans, and others that the veterans who served in Vietnam, especially those who are disabled have employment difficulties that are as a result of wounds directly attributable to having been subjected to hostilities. The study finally, at long last, released by the Bureau of Labor Statistics of the U.S. Department of Labor on March 31, 1986, should end this debate once and for all. There is no statistical difference on other major measures as to who was sent to Vietnam and who was stationed elsewhere. And yet, the unemployment rate of those who served in Vietnam is 20% higher than that of "ERA" veterans (ie. those who were in military service but were not stationed in the Southeast Asia war zone), as now documented by the Bureau of Labor Statistics. Disabled veterans had a rate of unemployment that was 80% higher than that of "ERA" veterans. Perhaps most disturbing is that the above statistics only reflect the severity of the problem for those who are still looking for work. The high percentage of disabled veterans (over 20%) who have given up even looking for work is particularly disturbing. These veterans are not restored, they are not rehabilitated, they are not "readjusted" until such time as their unemployment rate and labor force participation is equal to at least that of their "ERA" veteran peers.

The second major conceptual difference has arisen more recently from those who glibly claim that since the formal end of the Vietnam war is now more than ten years ago, "readjustment" is over, prima facie. This is stated as an article of faith and not as a deductive, rational judgement based upon empirical observation, so Vietnam Veterans of America is somewhat at a loss as to how to rationally present what is a rather compelling case that problems directly attributable to war time service persist because of the lack of a concerted Federal and societal response to address and solve those problems. The Columbia University/American Legion study, the California Veterans Survey, the DePaul University/James Bordieri study, (all previously submitted to this Committee) and now the BLS study all clearly demostrate that these problems persist among those "who have borne the battle." It does not say "To care for him who hath borne the battle, but only for ten years" on the front of the Veterans Administration, nor is such an abusrd dictum quoted each November in the "Salute to All American Veterans" at the U.S. Department of Labor.

As to how well the U.S. Department of Labor, Veterans Employment and Training Service (V.E.T.S.) is meeting its responsibility to address these soon to be chronic needs of Vietnam veterans most directly exposed to the war, a short recount of history is in order. The Federal response in this area has, as you are well aware, Mr. Chairman, been one of "start-stop" and half measures that never quite meet expectations. The Comprehensive Employment Training Act (CETA) contained provisions for special services to Vietnam veterans that were generally ignored. The Employment Service talked about Vietnam veterans when it was politically expedient to do so, but with a few exceptions, such as South Carolina, never did very much except utilize staff and funds targeted to veterans to serve other constituencies who had more local political muscle. Within the Department of Labor (DoL) at the national office level, various functions pertaining to veterans were scattered about the Department with dispersion of what little political muscle there might have been at any given time.

Much credit must go to this Committee for helping create the position of Assistant Secretary for Veterans Employment and Training, and to the first Assistant Secretary, William C. Plowden, for gathering most of the disparate elements into one entity.

Expections were raised that the Department of Labor was finally really going to move forward meet the now documented problems of Vietnam theatre and disabled veterans. However, the situation currently is that the sense of momentum has again been disipated, and the DoL is once again akin to a "10,000 pound cube of lime jello" into which initiatives, new laws, and reasonable ideas disappear with hardly a trace. This is not for lack of commitment on the part of many members of the Congress, or even of some of the responsible officials at the DoL. Vietnam Veterans of America believes that the Hon. Don Shasteen is a decent and honorable man who cares a great deal about his mission, on both a personal and professional level. However, our overall sense of the situation of the V.E.T.S. at this point is that much stronger support must be lent to the mission by Secretary of Labor, Hon. William Brock, a much firmer management hand, and a more tightly focused and defined mission needs to be impanted to the approximately 300 federal employees and to the "Disabled Veteran Outreach Program Workers" (DVOPs) and "Local Veteran Employment Representatives" (LVERs), upon whom the "system" depends to actually help veterans.

Vietnam Veterans of America respectfully offers the following suggestions to this Committee for your consideration, as ways to restore proper direction and momentum to the efforts of the Secretary of Labor to fulfill his obligations and responsibilities, both legal and moral, to veterans.

One, it is recommended that, whether through legislative or oversight means, the Committee move to ensure that a report of unemployment rates and labor market participation among Vietnam theatre and disabled veterans occurs on a regular and recurring basis, at minimum once per year.

Two, it is recommended that the Committee give the Department of Labor (DoL) one year to demonstrate that DoL can exert concerted tough management over their system, and guarantee that service delivery is fulfilling legislative intent in how staff are utilized and funds expended. If there is not marked and measurable improvement in basic management of resources and persons, VVA recommends that the Committee consider a variety of changes in basic structure including, but not limited to, "federalizing" all DVOP and LVER personnel, setting up offices within other federal facilities, withdrawing administrative and direct program monies from recalcitrant or ineffective State employment services and contracting services with other public or private entities, and/or other means of carrying out the letter and the spirit of Chapter 38 and Chapter 41, United States Code.

Three, that the Department of Labor be directed to produce a viable training manual/desk reference manual to be made available to and in the hands of every DVOP and LVER prior to the end of this

Fiscal Year. Further, that the Veterans Employment and Training Service be directed to ensure that every DVOP and LVER has received adequate training prior to the end of the first quarter of Fiscal Year ~87, and thereafter on a regular and recurring basis.

Fourth, that the Department of Labor, through a combination of contract negotiations, non-financial agreements, political pressure, moral suasion, and all other available means, ensure that full and proper logistical, career, and other support be given to all actual service deliverers (ie. DVOPs and LVERs).

Fifth, that the Department of Labor, and specifically the Veterans Employment and Training Service, be directed to ensure that all "Veterans Job Training Act" (VJTA) funds are expended before the expiration date of said program.

Six, that the Assistant Secretary of Labor for Veteans Employment and Training report to the Committee on the progress of the implementation of the modern management information systems, and reputed implementation of a form of the "Management by State Objectives" system on the Veterans Employment and Training Service.

Seven, that the V.E.T.S. be directed to evaluate the usefulness of the Employment Service job listings on a state by state basis, and assiduously pursue viable alternatives where appropriate.

Eight, that the V.E.T.S. be urged in the strongest possible terms to move forward with a "Request For Proposal," that is stringently drawn, for competitive proposals to test a computerized "job bank"/"potential employee bank." Said system(s) can be either regional or National in scope, but should be accessible to employers, veterans organizations, the community, and others beyond just the office of the state employment services.

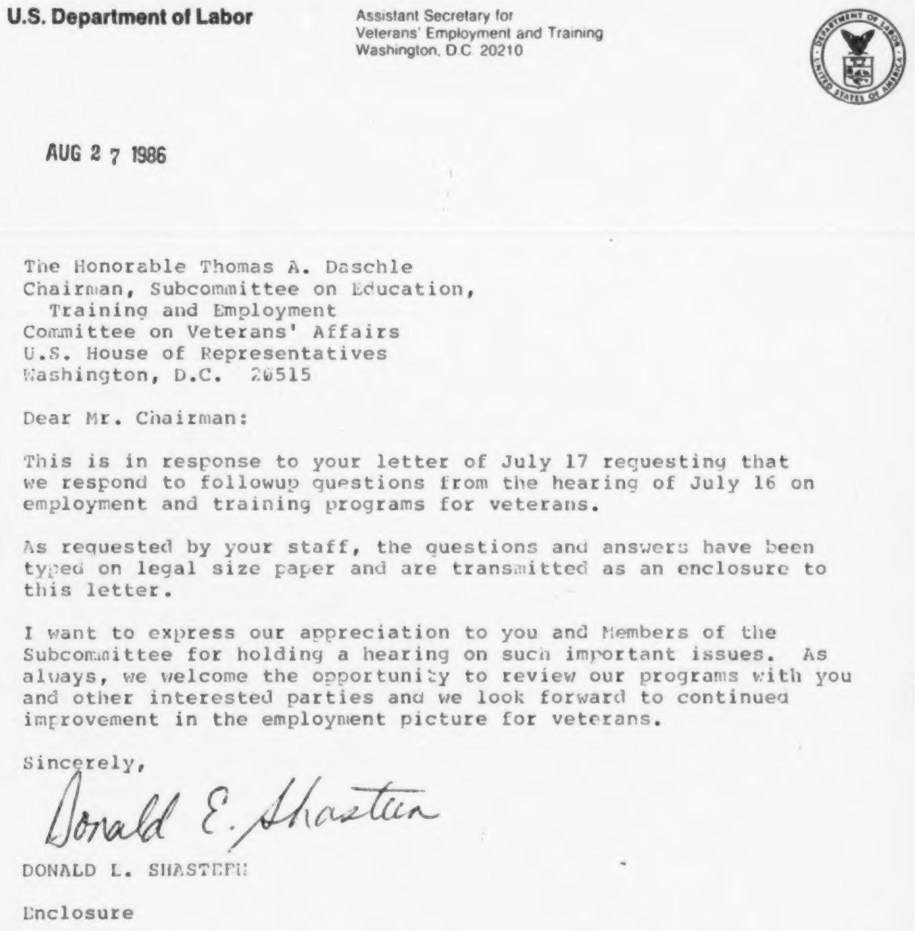
Nine, that the V.E.T.S. be directed to formulate recommendations, that should include both administrative and legislative initiatives, as how to more sharply focus efforts on "they who have bourne the battle," namely Vietnam theatre and disabled veterans.

Ten, that the Committee urge the Honorable William Brock, Secretary of Labor, to insure a "Secretary's Letter" asking for a full scale review by his principal deputies of the Department of Labor's fulfillment of responsibilities to, and attitudes toward Vietnam theatre veterans, special disabled, and recently separated veterans. This is perhaps most crucial in regard to the Employment and Training Administration and the Jobs Training Partnership Act (JTPA).

Mr. Chairman, that concludes our statement. I would be pleased to answer any questions that you and your colleagues may have. Thank you again for the opportunity to express the views of Vietnam Veterans of America.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DASCHLE TO DONALD E. SHASTEEN, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR



U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

AUG 27 1986

The Honorable Thomas A. Daschle
Chairman, Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of July 17 requesting that we respond to followup questions from the hearing of July 16 on employment and training programs for veterans.

As requested by your staff, the questions and answers have been typed on legal size paper and are transmitted as an enclosure to this letter.

I want to express our appreciation to you and Members of the Subcommittee for holding a hearing on such important issues. As always, we welcome the opportunity to review our programs with you and other interested parties and we look forward to continued improvement in the employment picture for veterans.

Sincerely,

Donald E. Shasteen

DONALD E. SHASTEEN

Enclosure

QUESTION 1. Every witness who testified at yesterday's hearing, with the exception of DOL, pointed out that the Title IV-C funding for veterans in JTPA is extremely limited and inadequate. Therefore, it seems to me that what dollars are available must be expended effectively.

> A) What mechanism is in place to review the contracts that have been awarded under Title IV-C to ensure that the terms of the contracts have been met? We heard in later testimony that the Inspector General's office will do this review. I don't believe the IG's office has the expertise to do this sort of review. What alternative can you suggest?

RESPONSE:

Almost all activity under Title IV-C is handled through a competitive grant process, not through letting contracts. For the majority of grants, the State Director for Veterans' Employment and Training Service (SDVETS) where the grant is located acts as the Grant Officer's Technical Representative in ensuring that grant goals are met. This is done through on-site monitoring, technical assistance, and reviews of quarterly technical and financial reports. Additionally, quarterly reports are now entered into a computer which tracks and compares actual expenditures and services with the grant goals. It is a double check that provides the Veterans' Employment and Training Service (VETS) early warning on potential problem grantees.

Review of grants to assure grant terms have been met is an audit function which is the statutory responsibility of the Office of the Inspector General (OIG). The OIG has the capability to conduct such a review. Moreover, the OIG is currently conducting a survey of the VETS program, including certain aspects of the Title IV-C program. If the OIG identifies significant problems in the program, that office will consider a full review of the Title IV-C program.

> B) I am dismayed that statistics on veterans' participation in JTPA are so sketchy and that veterans are not targeted in Titles II and III (A). Will you commit to me that you will recommend that this situation be changed?

RESPONSE:

The Job Training Longitudinal Survey data for the first three quarters of Program Year 1985 indicate that veterans were 9 percent of JTPA Title II-A enrollees and 20 percent of JTPA Title III enrollees. We will make every effort to ensure that veterans' participate in Title II-A and III of JTPA through coordination with JTPA Title IV-C programs and other DOL programs serving veterans.

QUESTION 2. I remember last fall that all of us, with the cooperation of my esteemed colleague on the Appropriations Committee, Congressman Natcher, were able to avoid a crisis in DVOP and LVER funding. As I remember it, the Office of Management and Budget intentionally underfunded these programs.

Can we expect similar problems in fiscal year 1987 or was the budget request for fiscal year 1987 adequate?

RESPONSE:

The FY 1987 budget request represents the necessary funding to staff the DVOP at the formula level of 1,894 base positions (1,894 base + 162 AS&T totals 2,056). The budget request for LVERs will support 1,217 base LVER positions (1,217 base and 102 AS&T totals 1,319). This is 162 positions under the formula requirement of 1,379 base LVERs. Since the DVOP formula is statutory and the LVER formula is an administrative requirement, the decision was made to address the legislated requirement first, and meet the administrative requirements with the remaining funds.

The regulations allow for the Assistant Secretary for Veterans' Employment and Training (ASVET) to grant waivers from the full-time criteria based on a demonstrated lack of need. Also, if appropriation exigencies preclude the full application of the criteria, the ASVET may permit appropriate limited adjustments to the staffing requirements. In the past two years, we actually had an increase in productivity by the Employment Service in delivering services to veterans. If the manager of a local office is seeing that services are delivered to veterans, then we do not need as many LVERs to supervise.

QUESTION 3: I think we can all agree that validity generalization, or V.G., impacts on the delivery of priority services to veterans.

A) Were you consulted before V.G. was implemented?

RESPONSE:

Validity Generalization applies equally to all those in the Employment Service system and does not by itself adversely affect the delivery of services to veterans as long as it is not the sole method of referral of job applicants. The DOL's concern is that V.G. not affect the referral priorities established for veterans and the Department has issued a directive dealing with that concern (See answer to Question 3. B.).

V.G. is presently an experimental program being conducted somewhat differently in each of the approximately 37 States where it is in various stages of development. In addition, my staff and staff of the Employment and Training Administration routinely exchange information concerning progress and problems. Currently, my staff is developing a more detailed directive to both my field staff of the Veterans' Employment and Training Service (VETS) and the State Employment Security Agencies. That directive will provide more specific guidance in maintenance of veterans' referral priority within V.G. than the previous directive described in my response to Question 3. B. below.

B) In your testimony you mention a March 7, 1985, directive establishing procedural guidelines for the job service agencies. What guidance was given in that directive? How is veterans' priority maintained under VC?

RESPONSE:

A copy of my Veterans' Program Letter No. 6-85, the directive mentioned above, is enclosed for your information. The policy principles regarding veterans' priority applied to VG are stated on Page 3. Those principles include the basic mandate that veterans' priority as specified in regulations at 20 CFR 652.120

must be observed. Those regulations require that State Employment Serivce/Job Service offices make referrals of qualified applicants in the following order of priority:

(1) Special disabled veterans;
(2) Veterans of the Vietnam-era;
(3) Disabled veterans other than special disabled veterans;
(4) All other veterans; and
(5) Nonveterans.

Procedural guidelines begin on Page 3 of the directive.

The question of "how is veterans' priority maintained under VG" is our current concern. We have been informed by my VETS field staff through a survey covered in Question 3. C below that a wide range of procedures are currently in use which are designed to maintain veterans' priority. However, in addition to the general suggestions contained in the enclosed directive, more detailed and specific guidance will be issued as mentioned previously.

C) I understand you recently did a survey of your field staff regarding validity generalization. What were the results of that survey?

RESPONSE:

The survey conducted by the National Office of the Veterans' Employment and Training Service indicated that 28 States have implemented the usage of the Validity Generalization (VG) concept. In one quarter of those States, the VETS reported the usage of VG has seemed to improve placement services to veterans; on the other hand, more than half reported that the methods used for applying VG appear to either harm or did not improve job placement. At this point, the results have not been substantiated, as only 2.5% of the offices wherein VG has been utilized have had reliable statistical studies concluded with which to assess the impact of VG on services to veterans. The Veterans' Employment and Training Service will continue to monitor and evaluate the effectiveness of Validity Generalization vis-a-vis job placement services for veterans.

QUESTION 4. You have stated publicly for well over a year that you favor some form of a computerized "job bank" for veterans, that would operate on at least a regional if not a national level. I believe such a "job bank" would be very helpful. Have you taken any actions to initiate a veterans' job bank?

RESPONSE:

The Veterans' Employment and Training Service and the Employment and Training Administration are working together to develop a multi-state pilot computerized job bank that will maximize the job opportunities available to veterans. I am pleased to note that the Department of Health and Human Services has provided staff assistance and committed $140,000 toward this project.

Several planning meetings have already been held and we hope to receive a proposed plan by September.

QUESTION 5. Your office has publicly promised a minimal standard training program and a desk reference/training manual since December of 1983. What is the reason for this long delay?

RESPONSE:

The subject manual has gone through several revisions and has been preempted by other priorities. It is still our intent to issue such a manual this Program Year.

QUESTION 6. The Bureau of Labor Statistics released a study at the end of March documenting that unemployment was significantly higher for Vietnam-era veterans who served in-country and almost double among disabled veterans. These findings do not even address the problem of "in-country" and disabled veterans who have become so discouraged that they have dropped out of the labor force.

A) Will you take action to ensure that this type of survey occurs on a regular basis?

RESPONSE:

Because of cost restraints we have not planned to conduct this type of survey on a regular basis. However, we certainly will consider the need to conduct another of these surveys next fiscal year.

B) What plans have you formulated for the Veterans' Employment and Training Service to focus on these two groups? Do your plans involve only administrative initiatives, or legislative initiatives as well, and what are they, specifically?

RESPONSE:

This special survey did show that Vietnam-era veterans who served in-country and disabled veterans have higher unemployment rates than other Vietnam-era veterans. The survey also showed that there are a substantial number of these same veterans that are not in the labor force. We have taken several actions to address these issues. First, we have arranged with the Veterans Administration to provide the names and addresses of disabled veterans to our State veterans specialists for the purpose of outreach and job assistance. Second, we provided the survey results to all of our field staff and expect that the information will assist State and local communities to target limited resources better. I have also made disabled veterans our number one priority in all our programs for the next two years. You can be assured that we will continue to address the needs of disabled and Vietnam-era veterans in all of our programs and special initiatives. We believe this can be effectively done through existing legislation.

QUESTION 7. I want you to know that I'm pleased with the first steps you have taken to improve the Federal Contractor Job Listing program. You're on the right track, but obviously have a long way to go.

A) Other witnesses seemed to be particularly concerned that contractors are still unaware of their responsibilities to veterans. What else can be done to improve this situation?

RESPONSE:

I share the concern that Federal contractors may not be fully aware of their responsibilities to veterans under the Federal Contractor program. In the past year and a half the following steps have been implemented to help ensure that contractors are made aware of their responsibilities.

The State of Alabama conducts a project that receives notice from the Commerce Business Daily of all Federal contracts that are awarded each day. Notification of awards is forwarded to each State Job Service Administrator or State Director for Veterans' Employment and Training Service, either of whom sends a letter to each contractor. The letter indicates to them their responsibilities to veterans as a Federal contractor and offers assistance to them concerning meeting their contractual obligations. In addition, in March of this year, I sent letters to the heads of 51 Federal agencies and their procurement executives. I asked each of them to call to the attention of each contractor doing business with their agency, the requirements under the Federal Contractor program. Enclosed is a copy of the letters sent to the agency heads and to their procurement executives. We are also considering a proposal from Dun and Bradstreet which would further refine the Alabama project by helping to identify contractor subsidiaries.

I will continue my efforts directed to Federal contractors and Federal and State agencies concerning their obligations and responsibilities.

> B) There has been a lot of discussion about raising the reporting threshold from $10,000 to $50,000. What is your view on this? I'd like you to submit for the record an in-depth study of the impact of such a change on veterans. How many contractors, and how many jobs would be eliminated from the reporting requirement by this change?

RESPONSE:

With regard to discussion about raising the reporting threshold from $10,000 to $50,000, we are currently studying the feasibility of undertaking an in-depth study of the impact such a change would make on veterans and will respond to your request in 30 days.

> C) In your testimony, you mentioned that you contacted the heads of 51 Federal agencies and their procurement executives. I would appreciate it if you would provide for the record a list of all those contacted and a list of those who replied expressing support for the Federal Contractor Job Listing Program?

RESPONSE:

We have enclosed the lists as requested as well as a copy of the letters sent to the agency heads and procurement executives as indicated in the response to 7. A. above.

QUESTION 8. The ICESA states that there has been almost no direct involvement by the Assistant Secretary for Veterans' Employment and Training in the reform of the employment service. Please respond.

RESPONSE:

I have been assured that my agency will be involved in all discussions affecting the employment service.

QUESTION 9. Why has it taken, according to the DAV, almost four years to prescribe regulations for Federal Contractor Job Listing, as required by Public Law 97-306?

RESPONSE:

The length of time it has taken to prescribe final rules is regrettable. I can only offer that we have gone through several changes in key decisionmaking positions and that all parties involved have viewed these rules as very important and ensured that they received their proper review. I would also add that because of the apparent impact on the private sector and our desire to issue the most practical rules, we did publish an Advance Notice of Proposed Rulemaking in addition to the Notice of Proposed Rulemaking.

Nevertheless, I share your concern with this delay and assure you than we are working diligently to publish the final rules by October.

Attachments

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

DEAR AGENCY HEAD:

I am writing to you at the request of Secretary of Labor Bill Brock regarding an issue of special concern to this agency and, I hope, to your agency as well. As the Assistant Secretary for Veterans' Employment and Training, I am responsible for the implementation of several Federal statutes pertaining to veterans' employment. One of these statutes imposes a responsibility upon Federal contractors to take certain actions relative to the employment of veterans.

Specifically, Title 38, United States Code (USC), Section 2012 requires that any contract in the amount of $10,000 or more entered into by any department or agency for the procurement of personal property and non-personal services (including construction) for the United States contain a provision requiring that the contractor take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era. This section also requires that each such contractor immediately list all of its suitable employment openings with the appropriate local Job Service office of the State employment service system. The full text of the contract provision is contained in the Federal Acquisition Regulation 52.222-35.

I am writing today to enlist your aid in calling these requirements to the attention of contractors who do business with your agency. I am very concerned that over the past few years there has been a drastic decline in the total number of jobs that have been listed with the Job Service by Federal contractors. That decline has, of course, resulted in fewer disabled and Vietnam-era veterans receiving jobs with Federal contractors. This decline hurts not only the men and women who served our nation in the Armed Forces, but also hurts employers who do not have the benefit of the skills and training that these veterans possess.

I have taken a number of positive steps within my own agency to promote the awareness of this requirement. I feel we are making considerable progress but the task is a formidable one. I am going to take the liberty, therefore, to write to the procurement executives in your agency, reminding them of their responsibility to insure that contractors are fully cognizant of their contractual obligation and offering them our assistance in these efforts.

I wish to thank you in advance for your cooperation in working to maximize the employment opportunities for those who have given so much to our country. "Veterans - one good job deserves another."

Sincerely,

DONALD E. SHASTEEN

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The Pentagon
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U.S. Department of Labor

Assistant Secretary for
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DEAR PROCUREMENT EXECUTIVE:

A short time ago I wrote to the head of your Agency, Ms. Donna M. Alvaredo, at the request of Secretary of Labor Bill Brock regarding an issue of special concern to this Agency.

As the Assistant Secretary for Veterans' Employment and Training, I am responsible for the implementation of several Federal statutes pertaining to veterans' employment. One of these statutes imposes a responsibility upon Federal contractors to take certain actions relative to the employment of veterans.

Specifically, Title 38, United States Code (USC), Section 2012 requires that:

> o Every contract in the amount of $10,000 or more entered into by any agency of the United States Government for the procurement of personal property and non-personal services, including construction, contain a provision mandating the contractor to take affirmative action to employ, and advance in employment, qualified special disabled veterans and veterans of the Vietnam era.
>
> o Each such contractor, including each subcontractor, immediately list all of its suitable employment openings with the appropriate or nearest local Job Service office of the State Employment Service system.

The full text of the contract provision is contained in the Federal Acquisition Regulation (FAR) 52.222-35.

I am writing today to enlist your aid in calling these requirements to the attention of contractors who do business with your Agency. I am very concerned that over the past few years there has been a drastic decline in the total number of jobs that have been listed with the Job Service by Federal contractors. That decline has, of course, resulted in fewer disabled and Vietnam-era veterans receiving jobs with Federal contractors. This decline hurts not only the men and women who served our nation in the Armed Forces, but also hurts employers who do not have the benefit of the skills and training that these veterans possess.

I have taken a number of positive steps within my own agency to promote the awareness of this requirement. I feel we are making considerable progress but the task is a formidable one. Therefore, I am taking this opportunity to review with you, as the procurement executive for your agency, the responsibilities your agency has in regard to this requirement, and to provide some assistance to you in fulfilling these responsibilities.

Title 41, Code of Federal Regulations (CFR), Part 60-250 outlines the affirmative action obligations of contractors and subcontractors for disabled veterans and veterans of the Vietnam era. The Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, has the responsibility for enforcing these regulations. Section 60-250.24 outlines the duties of contracting agencies and states that each agency has the duty to ensure that contractors are fully cognizant of their obligations contained in the contract provision. As discussed above, these obligations include the requirement to list suitable employment openings with the Job Service.

In order to assist your contractors in meeting this requirement, we are providing you with a list of the Federal Contractor Job Listing (FCJL) coordinators for each State Employment Service (Attachment I). Each coordinator receives, on an almost daily basis, information regarding Federal contracts awarded to businesses which are located within the coordinator's State. The coordinators have the responsibility for assuring that contractors are advised of their responsibilities to list job openings with the Job Service and referring qualified targeted veterans to such jobs. In providing you with this list, we hope you will pass it on to your contractors and inform them that contacting the appropriate FCJL coordinator is a means of meeting their contractual obligation.

Another area in which I would like to offer my assistance concerns the requirement in the FAR that each contractor post notices regarding the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era (FAR) 52.222-35(e). This section also states that the form of such notices will be prescribed by the Director, OFCCP, and provided through the contracting officer.

Enclosed with this letter is a poster which may be used by contractors to fulfill the notice requirements of the FAR clause. Additional copies of this poster may be obtained through the Regional Offices of the OFCCP (Attachment II). We hope this will be useful to you and to your contractors in fulfilling the notice requirements noted above.

I wish to thank you in advance for the thoughtful consideration you will give to this matter and for your cooperation in working to maximize the employment opportunities for those who have given so much to our country. "Veterans - one good job deserves another."

Sincerely,

DONALD E. SHASTEEN

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U.S. Department of Labor

Office of the Assistant Secretary for
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Washington D.C. 20210

March 7, 1985

VETERANS' PROGRAM LETTER NO. 6-85

TO: ALL REGIONAL, STATE AND ASSISTANT STATE DIRECTORS FOR VETERANS' EMPLOYMENT AND TRAINING SERVICE

ALL STATE EMPLOYMENT SECURITY ADMINISTRATORS

ALL REGIONAL ADMINISTRATORS, ETA (INFO)

FROM: DONALD E. SHASTEEN
Deputy Assistant Secretary for
Veterans' Employment and Training

SUBJECT: Veterans Priority in Validity Generalization

1. Purpose:

To establish policy guidelines to be observed by State Employment Security Agencies (SESAs) to ensure that legislatively mandated veterans' priority in referral is maintained in the administration and conduct of the Validity Generalization method of using the General Aptitude Test Battery (GATB) to assess applicants' relative ability to perform or learn jobs.

2. Background:

Validity Generalization (VG) is a new method of applicant referral based upon the large amounts of data generated by many years of validity research on the GATB. To develop operational procedures, it is currently being pilot tested in a number of States.

Currently, two major patterns of VG use are emerging. Optimal use of VG involves the "full-blown" approach, where the vast majority of applicants, around 80%, are tested and test results are used in referral to almost all jobs in conjunction with employers' requirements, picking from the highest scores and working down. The second approach, "SATB Replacement", uses VG only as requested by employers and/or for selected occupations and employers. The number of applicants tested is demand-driven. Here also, referrals are top-down. As employer demand increases, the distinction between the two patterns may decrease or disappear.

As local office operations vary along such dimensions as character and size of labor market, size of local office, unemployment rate, degree of automation, acceptance of change of staff, and management style of the State agency, etc., variations of operational procedures will be required. Such operational procedures are currently being developed at the pilot sites.

Under VG, all of the qualifications required by the employer will ordinarily be met. In addition, in developing operational procedures for VG, it is essential that veterans' preference be maintained. Regulations at 20 CFR 652.120 require each State agency to provide maximum employment and training opportunities to veterans by giving them preference over non-veterans in employment and training services including but not limited to registration, counseling, referral to supportive services, job development, and referral. In making referrals of qualified applicants to job openings and training opportunities; the order of priority is to be (1) special disabled veterans, (2) veterans of the Vietnam era, (3) disabled veterans other than special disabled veterans, (4) all other veterans and eligible persons, and (5) non-veterans.

3. Policy on Veterans Priority in Validity Generalization

The policy principles applied to Validity Generalization are stated below:

a. Veterans will be provided information on special services provided to veterans in addition to the orientation information provided to all applicants.

b. All local office staff must be aware of and observe veterans' priority in making referrals to job openings

c. The priority for veterans as specified in 20 CFR 652.120 must be followed in making referrals within the framework of VG principles.

These principles must be observed by any State Employment Security Agency undertaking Validity Generalization (VG) in any form.

4. Procedural Guidelines

SESAs shall adopt procedures deemed appropriate in achieving veterans' priority principles. The following guidelines are but a few ways to comply with the policy mandates expressed above. They are divided into general topics for ease of reference.

a. Implementation

(1) When VG is initiated, veterans in the active file should be contacted, informed of the benefits of their being tested, and testing offered to them.

(2) Veterans shall be tested on a priority basis before non-veterans.

(3) If the need for testing is greater than the capacity, applicants should be tested in the veterans preference order of 20 CFR 652.120.

b. Selection and Referral

(1) Employer qualifications must ordinarily be met by all applicants, including veterans.

(2) The priority specified in 20 CFR 652.120 must be observed in making referrals of applicants who meet all of the other employer specifications. This can be achieved in several ways, some of which are listed below:

(a) Establishment of an "up-front" period such as 24 or 48 hours during which only qualified veterans may be referred on a given job order to allow for adequate file search provided that all local office staff with referral responsibility share in this effort.

b) Referral staff can ordinarily maintain the integrity of both 20 CFR 652.120 and VG principles by making referrals based on (i) their knowledge of the need to observe veterans' preference,

(ii) their familiarity with employers' hiring practices, (iii) their overall assessment of the applicant's qualifications in addition to the VG score, and (iv) results of interviews to determine applicants' acceptance of the job offer.

The effectiveness of these and any other veterans' priority procedures which any State implements in VG operations will be carefully monitored by Veterans' Employment and Training Service (VETS) staff to ensure satisfactory performance. If any procedures produce less than effective veterans' priority, as required by Federal law, additional guidance will be provided.

5. Action Required:

(1) Each VETS field staff member shall utilize the contents of this VPL in the conduct of evaluations of local offices involved in VG. Findings and/or observations should be included in regular reports. Critical issues should be raised immediately through established channels.

(2) SESA Administrators should ensure that VG operations in their States are carried out according to the guidelines established by this VPL.

CHAIRMAN DASCHLE TO ROBERT T. JONES, DEPUTY ASSISTANT SECRETARY, EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR

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July 17, 1986

Honorable Roberts T. Jones
Deputy Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Secretary:

I regret that time did not permit asking you all of the questions that the Members of the Subcommittee had planned to submit to you at the hearing of July 16, 1986, to review employment and training programs for veterans administered by the Department of Labor.

It will be appreciated if you will respond to these questions by August 13, 1986. The questions, together with your answers, will be made a part of the official hearing record.

1. The Interstate Conference of Employment Security Agencies testified that there has been no effort by the Department of Labor to communicate with the JTPA system regarding the particular needs of veterans. Why hasn't this been done? Clearly the Title IV-C funding isn't adequate to address veterans' problems effectively, so priority should be provided in other ways.

2. What statistics are available regarding veteran participation in JTPA and how do these statistics compare with those for other client groups?

3. The Federal Government's employment and training responsibilities to our veterans are vested with the Department of Labor and specifically through ETA's delivery system, including the Employment Service. If the Federal role is given up, what do you see happening to veterans preference and veterans services?

4. Any effort to devolve, defederalize, or privatize the Employment Service will have a major impact on veterans and on law contained in title 38. Can we have your assurance that you will be consulting with this Committee concurrent with consultation with the Committee on Education and Labor prior to, at the time of, and following recommendation of any such legislation? Further, can you assure me that the Assistant Secretary for Veterans Employment and Training will be an integral part of the planning process within the Department?

Sincerely,

TOM DASCHLE
Chairman
Subcommittee on Education,
Training and Employment

TD:ek

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

AUG 27 1986

The Honorable Tom Daschle
Chairman
Subcommittee on Education,
  Training and Employment
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of July 17 containing questions of Subcommittee members pertaining to the July 16 hearing on employment and training programs for veterans administered by the Department of Labor.

In response to Question 1, it appears from the latest program information available to us that veterans are adequately served under the Job Training Partnership Act (JTPA). Under the block grant design of JTPA, targeting of priorities for services beyond those specified in the Act itself falls within the purview of the Private Industry Council and the chief local elected officials, as local circumstances may dictate. In view of the above, we do not see a compelling reason or legal basis to promote to the JTPA system priority service to veterans over other disadvantaged groups.

With regard to Question 2, data from the Job Training Longitudinal Survery (JTLS) for Program Year 1984 (July 1984 - June 1985) for JTPA Title II-A showed the following:

- o Veterans comprised nearly 10 percent of the program's new enrollees.
- o Over 9 out of 10 veterans in JTPA were economically disadvantaged.
- o The majority of veterans were assigned to training activities, including classroom training and on-the-job training (OJT).
- o Upon leaving the program, 72 percent of the veterans entered employment paying an average hourly wage of $5.44.

- Compared with other groups served by JTPA, veterans were far more likely to have participated in OJT, experienced a higher entered employment rate, and received substantially higher wages at placement.

It should be noted that compared to the Comprehensive Employment and Training Act (CETA), JTPA is serving a slightly higher proportion of veterans, among whom there appear to be a greater proportion of handicapped. JTPA placement rates for veterans are significantly higher than under CETA.

Our data also showed that the above trends continued through the first half of Program Year 1985 (July 1985 - December 1985). Enclosed are the JTLS data tables comparing the characteristics, program assignments, and outcomes for veterans with other groups.

In answer to Questions 3 and 4, we are currently reviewing the future relationship between the Federal Government and the States with regard to the administration of the Employment Service. This review is now at an early stage. In that connection, we will take into account the effect of the relationship, or any suggested change in the relationship, on veterans. You may be assured that we will consult with all appropriate congressional committees should we decide to pursue any legislative changes relating to the Employment Service.

Sincerely,

ROBERTS T. JONES
Deputy Assistant Secretary of Labor

Enclosure

TABLE 4U: VETERANS, TITLE IIA
[Percent Distribution]

Selected Characteristics	Transition Year Oct 83-June 84	Program Year 1984 July 84-June 85	Program Year 1985 July 85-Dec 85
Total Enrollees	61,000	66,500	32,700
Sex			
Male	94%	93%	91%
Female	6	7	9
Minority Status			
White	67	68	70
Black	26	25	24
Hispanic	5	5	4
Other	2	2	2
Age at Enrollment			
Younger than 19	1	1	1
19-21	7	7	5
Adults (22-54)	85	84	87
55 and older	7	8	7
Economically Disadvantaged	93	90	89
Receiving AFDC	8	9	9
Receiving Public Assistance (Including AFDC)	31	32	28
U.I. Claimant	19	18	15
Education Status			
School dropout	14	16	15
Student (H.S. or less)	1	1	1
H.S. Graduate (or more)	85	84	84
Barriers to Employment			
Limited English	--	1	--
Handicapped	8	9	10
Offender	12	12	11
Displaced Homemaker	1	1	1
Initial Program Assignment			
Classroom Training	36	30	31
On-the-Job Training	30	34	32
Job Search Assistance	23	25	27
Work Experience	2	2	3
Other Services	9	8	7
Total Terminees	35,000	57,200	24,200
Entered Employment Rate	74	72	71
Average Hourly Wage	$5.25	$5.44	$5.28

TABLE 4A: FEMALES, TITLE IIA
[Percent Distribution]

Selected Characteristics	Transition Year Oct 83-June 84	Program Year 1984 July 84-June 85	Program Year 1985 July 85-Dec 85
Total Enrollees	292,400	367,900	204,300
Sex			
Male	--	--	--
Female	100%	100%	100%
Minority Status			
White	51	53	53
Black	34	33	35
Hispanic	10	10	9
Other	4	3	3
Age at Enrollment			
Younger than 19	19	19	21
19-21	20	20	20
Adults (22-54)	58	59	56
55 and older	3	3	3
Economically Disadvantaged	94	94	93
Receiving AFDC	30	32	30
Receiving Public Assistance (Including AFDC)	49	51	50
U.I. Claimant	8	8	6
Education Status			
School dropout	22	25	23
Student (H.S. or less)	13	12	15
H.S. Graduate (or more)	65	63	62
Barriers to Employment			
Limited English	4	3	3
Handicapped	6	7	7
Offender	2	2	2
Displaced Homemaker	8	7	6
Initial Program Assignment			
Classroom Training	46	45	45
On-the-Job Training	13	18	19
Job Search Assistance	19	19	13
Work Experience	7	8	7
Other Services	10	10	11
Total Terminees	170,600	292,900	141,600
Entered Employment Rate	61	61	64
Average Hourly Wage	$4.20	$4.33	$4.30

TABLE 4L

TABLE 4L: RECEIVING PUBLIC ASSISTANCE, TITLE IIA
[Percent Distribution]

Selected Characteristics	Transition Year Oct 83-June 84	Program Year 1984 July 84-June 85	Program Year 1985 July 85-Dec 85
Total Enrollees	241,500	296,000	152,200
Sex			
Male	42%	37%	33%
Female	58	63	67
Minority Status			
White	48	51	49
Black	40	36	39
Hispanic	9	10	8
Other	3	3	4
Age at Enrollment			
Youth (under 22)	35	37	37
Adults (over 21)	65	64	62
Economically Disadvantaged	98	97	96
Receiving AFDC	50	51	51
Receiving Public Assistance (Including AFDC)	100	100	100
U.I. Claimant	6	6	4
Education Status			
School dropout	27	31	28
Student (H.S. or less)	15	14	16
H.S. Graduate (or more)	58	55	57
Barriers to Employment			
Limited English	4	3	2
Handicapped	6	7	8
Offender	6	6	6
Displaced Homemaker	7	6	6
Initial Program Assignment			
Classroom Training	44	44	45
On-the-Job Training	17	18	17
Job Search Assistance	18	19	20
Work Experience	7	9	9
Other Services	14	10	10
Total Terminees	130,900	242,100	106,700
Entered Employment Rate	59	57	58
Average Hourly Wage	$4.43	$4.49	$4.47

TABLE 4G

TABLE 4G: YOUTH (UNDER AGE 22), TITLE IIA
[Percent Distribution]

Selected Characteristics	Transition Year Oct 83-June 84	Program Year 1984 July 84-June 85	Program Year 1985 July 85-Dec 8
Total Enrollees	230,500	285,600	157,700
Sex			
Male	51%	50%	46%
Female	49	50	54
Minority Status			
White	58	51	52
Black	28	35	36
Hispanic	9	10	9
Other	4	4	3
Age at Enrollment			
Younger (under 22)	100	100	100
Adults (over 21)	--	--	--
Economically Disadvantaged	93	94	94
Receiving AFDC	19	20	20
Receiving Public Assistance (Including AFDC)	37	37	36
U.I. Claimant	4	3	2
Education Status			
School dropout	26	28	25
Student (H.S. or less)	32	31	34
H.S. Graduate (or more)	42	41	41
Barriers to Employment			
Limited English	3	2	2
Handicapped	8	11	12
Offender	7	1	6
Displaced Homemaker	1	1	1
Initial Program Assignment			
Classroom Training	38	35	37
On-the-Job Training	16	17	16
Job Search Assistance	21	18	18
Work Experience	13	15	13
Other Services	12	15	16
Total Terminees	132,700	234,800	104,400
Entered Employment Rate	57	57	57
Positive Termination Rate	66	63	68
Average Hourly Wage	$4.06	$4.14	$4.18

TABLE 4C

TABLE 4C: MINORITIES, TITLE IIA
[Percent Distribution]

Selected Characteristics	Transition Year Oct 83-June 84	Program Year 1984 July 84-June 85	Program Year 1985 July 85-Dec 85
Total Enrollees	269,300	317,700	169,100
Sex			
Male	47%	45%	43%
Female	53	55	57
Minority Status			
White	--	--	--
Black	70	70	72
Hispanic	22	22	21
Other	9	8	8
Age at Enrollment			
Younger than 19	22	21	23
19-21	22	23	22
Adults (22-54)	55	54	53
55 and older	1	2	2
Economically Disadvantaged	95	94	94
Receiving AFDC	25	27	27
Receiving Public Assistance (Including AFDC)	46	46	46
U.I. Claimant	8	5	6
Education Status			
School dropout	26	28	28
Student (H.S. or less)	16	15	16
H.S. Graduate (or more)	58	57	57
Barriers to Employment			
Limited English	7	7	5
Handicapped	5	8	5
Offender	8	8	7
Displaced Homemaker	4	3	4
Initial Program Assignment			
Classroom Training	45	42	43
On-the-Job Training	15	17	18
Job Search Assistance	24	23	21
Work Experience	7	6	7
Other Services	8	10	10
Total Terminees	163,100	259,900	121,600
Entered Employment Rate	60	60	59
Average Hourly Wage	$4.46	$4.51	$4.47

CHAIRMAN DASCHLE TO SUSAN R. MEISINGER, DEPUTY UNDER SECRETARY, EMPLOYMENT STANDARDS, DEPARTMENT OF LABOR

AUG [illegible] 1986

U.S. Department of Labor

Deputy Under Secretary for
Employment Standards
Washington, D.C. 20210

AUG 18 1986

AUG 22 1986

Honorable Tom Daschle
Chairman
Subcommittee on Education,
  Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In your letter of July 17 you enclosed five questions that members of the Subcommittee had planned to ask at the hearing on July 16. I am enclosing my response to each of these questions to be included as part of the official hearing record.

Please let me know if you need additional information.

Sincerely,

Susan R. Meisinger
Deputy Under Secretary

Enclosure

1. QUESTION: Last year we received testimony indicating that many, and perhaps most, compliance reviews done by OFCCP did not include an investigation of compliance with veteran requirements. DOL testimony this year indicates that each compliance review now includes questions regarding affirmative action relative to veterans. What have you done to accomplish this?

   ANSWER: It is our view that this testimony given by those outside the program was not fully informed. It has been OFCCP policy, for many years, that each compliance review undertaken must include attention to veterans' requirements. However, on October 10, 1985, in an effort to reemphasize this policy, the Director of the Office of Federal Contract Compliance Programs (OFCCP) once again reminded all Assistant Regional Administrators that all compliance review reports are to include a specific section devoted to the contractor's Section 2012 compliance activities. They were also informed that accountability reviews performed by the National Office would include a thorough review of the region's enforcement of Section 2012. In addition, area office directors were instructed to personally establish and maintain working relationships with all Veteran Employment Services' (VES) representatives in their areas.

2. QUESTION: Testimony submitted by the Disabled American Veterans brought up an event that I, frankly, find almost hard to believe. This has to do with the recent presentation by OFCCP of the exemplary voluntary efforts (EVE) awards. Eleven Federal contractors were honored for exhibiting outstanding and innovative efforts in outreach and recruitment to minorities, women, and handicapped individuals. Not one of the eleven awards was for special service to veterans. What happened?

   ANSWER: In order to be considered for an award a contractor must be nominated by one of the ten regions or by a manager in the National Office. Then a committee, appointed by the Director of OFCCP, screens the nominations and recommends to the Director those contractors whose programs are of such an outstanding nature that they should be given special recognition. There is no effort made by the committee to have an awardee in each of the OFCCP program areas. Contractors are chosen only from those nominated.

3. QUESTION: I understand that OFCCP participates as an ex-officio member of the Interstate Conference of Employment Security Agencies' Subcommittee on Veterans Affairs. Has a specific individual been appointed to serve in this position or does the OFCCP representative change from meeting to meeting? I think a single individual appointed on at least an annual basis would provide most continuity.

   ANSWER: Ms. Linden Heck, Executive Assistant to the Director, has been assigned as the OFCCP representative for the Interstate Conference of Employment Security Agencies' Subcommittee on Veterans Affairs (ICESA). She attended ICESA meetings on April 2, 3, and June 12, 13, 1986.

4. QUESTION: In his testimony, Mr. Shasteen mentioned that by the end of this fiscal year, OFCCP will have completed almost 5,000 compliance reviews - as compared with 2,600 for fiscal year 1980.

   I remember that a year ago you were facing a personnel cut of about 42, yet you have been able to increase compliance reviews. How do you do it?

ANSWER: We have increased the number of compliance reviews since 1980, despite reduced staffing levels, because of several management initiatives. We have been able to absorb the personnel cut by reducing overhead positions.

Implementation of the complaint administration system and the compliance review information system has made management of the investigative and review process more efficient. We have also implemented a more effective system to select contractors for review. An improved case management system has enabled managers to exercise more control over the compliance review at all stages resulting in a reduction in the hours required to complete a review. In addition, an increased emphasis on the quality audit has brought about improved quality.

5. QUESTION: Have any sanctions been taken against employers failing to comply with Section 2012 of Title 38, United States Code, on hiring of veterans?

ANSWER: No cases have gone to enforcement. Where a violation of 38 USC 2012 was found, we were able to resolve the issues through conciliation. The few cases that were recommended for enforcement were resolved without the necessity of imposing sanctions.

Chairman Daschle to to James Bourie, national service director, AMVETS

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JOHN G ROWLAND CONNECTICUT

July 17, 1986

Mr. James Bourie
National Service Director
AMVETS
4647 Forbes Boulevard
Lanham, MD 20801

Dear Jim:

I regret that time did not permit asking you all of the questions that the Members of the Subcommittee had planned to submit to you at the hearing of July 16, 1986, to review employment and training programs for veterans administered by the Department of Labor.

It will be appreciated if you will respond to these questions by August 13, 1986. The questions, together with your answers will be made a part of the official hearing record.

1. It's clear that veterans aren't being served by JTPA Title 2 and Title 3 programs. The question is why?

What responsibility must the Employment and Training Administration assume for the lack of service to veterans? Are there reasons why veterans are not being included? Why there are no "overt" efforts being made to include veterans?

2. You mentioned the possibility of either a front or back door effort being made to eliminate local veteran employment representatives. Can you shed any light on this possibility and what effect would eliminating local veteran employment representatives have on veterans?

3. In your prepared testimony, at the bottom of page 5, you report on a recent meeting which apparently included a discussion of the Department of Labor's overall goals and objectives. Veterans weren't included. Would you please elaborate?

Sincerely,

TOM DASCHLE
Chairman
Subcommittee on Education,
Training and Employment

TD:ek

AMVETS

National Headquarters
4647 Forbes Boulevard, Lanham, Maryland 20706
(301) 459-9600

James G. Bourie
NATIONAL SERVICE DIRECTOR

July 22, 1986

AUG 1 1986

The Honorable Thomas Daschle
Chairman, Subcommittee on Education,
Training and Employment
House Veterans' Affairs Committee
334 Cannon House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Daschle:

This is in response to your July 17, 1986, letter posing follow-up questions to AMVETS' testimony of July 16, 1986. We are pleased to provide you with our comments.

Question number 1 asks why veterans are not being served by Titles II and III of the JTPA. Under the above Titles, veterans are not a specific target group, but indeed are served under other eligibility criteria; but again, not specifically as veterans. In the history of manpower training programs, from the MDTA to CETA, veterans were never a specific target group. To us it is fundamentally unfair that many other groups, to include ex-felons, are provided specific employment and training programs while veterans must content themselves with meager program funding.

The ETA, in cooperation with the OASVET, must assume a major role in the delivery of veterans employment and training programs. However, the current direction and philosophy of the ETA is not conducive to the idea that it should be the provider of specific employment and training programs, but instead is looking at the "big picture." That picture does not include veterans. ETA's philosophy is to distance itself from directly administering federal employment and training programs; to allow states and localities to design and implement programs predicated on federal guidelines through established law. It is incumbent, nonetheless, for ETA, in cooperation with the OASVET, to issue strong reminders to state JTPA councils, PICs and others that veterans need to be served. ETA could also track veteran participation in JTPA with such information shared with the OASVET.

You also ask of the possibility of the elimination of the LVERs. The LVERs consume nearly $50M annually and are established by law under Section 2004 of Title 38, U.S.C. The history of LVERs has been fraught with attacks aimed at its elimination by either the Department of Labor and, or Congress for being duplicative and, or cost-saving. No doubt one could look at LVERs and DVOPs and on first glance conclude that they both perform the same function. However, that would not be the case at all. AMVETS' feels this is the situation at OMB (or the Department of Labor) wherein all efforts are being brought to bear to eliminating all "unnecessary" programs. In FY87, the LVERs will loose 168 representatives, further losses could be sustained by merely amending the controlling regs as Section 2004 is silent on numerical base-lines.

Finally, the question is asked regarding the departments overall goals and objectives coupled with the issue of an "across-the-department" 20 percent reduction. When the Secretary of Labor announced his department-wide goals and objective, AMVETS' was disappointed not to find veterans employment and training concerns among them as we feel that those matters should be a top department priority, and that there is more than enough documentation to substantiate this. One other signal is the possibility of a 20 percent OASVET cut. To our thinking, there is precious little from which to take 20 percent. Besides the LVERs, only the RDVETS and national staff are vunerable, all other positions are established by law. One possible way is to leave vacancies unfilled, to include mandated positions.

As we have stated in our prepared text, we believe the OASVET is in for some trouble ahead, from budget-cutters who will demand that it give up more and more. This situation will fly in the face of its legislative mandate. Further, complicating the situation will be the continuing need for substantive veterans employment and training programs.

AMVETS' appreciates the opportunity to clarify our position on veterans employment and training programs and commends you for your continued leadership and interest.

Sincerely,

James G. Bourie
National Service Director

JGB:pjf

CHAIRMAN DASCHLE TO RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

DAV
Motto: "If I cannot speak good of my comrade, I will not speak ill of him."
DISABLED AMERICAN VETERANS
NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

August 12, 1986

AUG 18 1986

Honorable Thomas A. Daschle
U.S. House of Representatives
2455 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Daschle:

Thank you for your recent letter requesting that I respond to three questions relative to the hearing of July 16, 1986.

On behalf of the Disabled American Veterans, I wish to again thank you for conducting the hearing and I am happy to provide the following responses in chronological order as asked.

1. The Disabled American Veterans agrees with the charge "that contractors are still unaware of their responsibilities to veterans." We believe that the Office of the Assistant Secretary of Veterans' Employment (OASVET) has initiated at least one positive action to notify contractors of their obligation. As you are aware, the so-called Alabama Project has contracted with Dunn and Bradstreet to provide timely information to VETS staff who, in turn, contact the contractor to remind them of their obligation.

   We believe that additional steps could and should be taken. For example: (1) contracting agencies should be required to make specific reference to the veteran's affirmative action requirements; (2) OFCCP should amend their regulations to provide for pre and post compliance reviews (thus ensuring contractors' knowledge of their obligations); (3) the OASVET should contact major business groups such as the Chamber of Commerce, National Alliance of Business, National Federation of Independent Businesses, National Association of Manufacturers and the Business Round Table, as well as the Ad Council, seeking their assistance to publicize the obligations under the affirmative action provisions.

   I believe this approach can be done in a very positive and non-threatening manner so as to let the contractor community know that this is an attempt to assist them in complying with the law rather than a "policing action."

2. We have had several meetings coordinated by the United States Chamber of Commerce which included representatives from the major veterans' organizations, the Chamber of Commerce, the Small Business Administration, National Federation of Independent Businesses (NFIB). The purpose of these meetings was to discuss modification of this reporting requirement. None of the organizations in attendance could demonstrate how veterans would benefit from such a change. In our view, changing the threshold as proposed would adversely impact on veterans by virtue of excluding a certain number of contractors from the reporting requirement. It is our belief that should any contractor be exempted from the reporting requirement, these employers' veterans affirmative action programs would receive no or low status.

While we are willing to discuss this issue further, those who advocate increasing this amount have been unable to provide any satisfactory reason as to why the level should be increased. It should also be noted that few contractors have provided comments on the proposed rules published in the Federal Register on May 28, 1986.

3. To our knowledge, since the inception of the affirmative action requirements for covered veterans, OFCCP has never imposed sanctions on any employer.

Again, thank you for providing us the opportunity to appear before your Subcommittee and to respond to your inquiries.

Sincerely,

RONALD W. DRACH
National Employment Director

RWD:am

DEMOCRATS
G V (SONNY) MONTGOMERY MISSISSIPPI
DON EDWARDS CALIFORNIA
BOB EDGAR PENNSYLVANIA
DOUGLAS APPLEGATE OHIO
RICHARD C SHELBY ALABAMA
DAN MICA FLORIDA
THOMAS A DASCHLE SOUTH DAKOTA
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HARLEY O STAGGERS JR WEST VIRGINIA
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KENNETH J GRAY ILLINOIS
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MACK FLEMING
CHIEF COUNSEL AND STAFF DIRECTOR

NINETY NINTH CONGRESS

G V (SONNY) MONTGOMERY
CHAIRMAN

U.S. House of Representatives
COMMITTEE ON VETERANS' AFFAIRS
335 CANNON HOUSE OFFICE BUILDING
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REPUBLICANS
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ELWOOD HILLIS INDIANA
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WILLIAM M HENDON NORTH CAROLINA
JOHN G ROWLAND CONNECTICUT

July 17, 1986

Mr. Ronald Drach
National Employment Director
Disabled American Veterans
807 Maine Avenue, S.W.
Washington, D.C. 20024

Dear Ron:

I regret that time did not permit asking you all of the questions that the Members of the Subcommittee had planned to submit to you at the hearing of July 16, 1986, to review employment and training programs for veterans administered by the Department of Labor.

It will be appreciated if you will respond to these questions by August 13, 1986. The questions, together with your answers, will be made a part of the official hearing.

1. Regarding the Federal Contractor Job Listing Program, there are those who charge that contractors are still unaware of their responsibilities to veterans. Do you agree with this assessment and, if so, what steps can be taken to improve this situation?

2. What is your response to the recommendation that the $10,000 reporting level be increased to $50,000? Would veterans be negatively impacted by such a change?

3. Do you know if OFCCP has imposed sanctions on any employers during the last year because they were not complying with the law and regulations as they pertain to veterans?

Sincerely,

TOM DASCHLE
Chairman
Subcommittee on Education,
Training and Employment

TD:ek

Chairman Daschle to Dennis K. Rhoades, director, National Economics Commission, the American Legion

The American Legion
For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

AUG 15 1986

August 8, 1986

Honorable Thomas A. Daschle, Chairman
Subcommittee on Education, Training and Employment
Commit~~tee on V~~eterans Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

We are pleased to provide you with responses to the questions you submitted in your letter of July 17, 1986. I appreciated the opportunity to appear before your subcommittee to share our views on the present status of veterans employment programs at the Department of Labor, and the prospects for their future.

I would also like to thank you for the subcommittee's present consideration of our proposal to provide a statutory formula for determining the number of fulltime local veterans employment representatives in local Job Service offices. The American Legion looks forward to working with you on this issue.

Our responses are included as an attachment. As always, we are grateful for your attention to the Legion's views.

Sincerely yours,

DENNIS K. RHOADES
Director of Economics

DKR:ja

Q 1. You indicated that the Legion has become aware of a consultation process which the Employment and Training Administration has initiated with state agencies and others to develop policy options for ETA and the Labor Department.

The Legion and other veterans organizations have an obvious interest in any policy recommendations which result from these consultations.

How would you describe the participation by the Legion and other veterans organizations, at this point, in this consultation process? As a full and equal partner? Will you let this Subcommittee know if your participation is anything less than as a full and equal partner?

. . . .

A 1. As I indicated in our oral testimony, I had the opportunity to meet with Under Secretary of Labor, Dennis Whitfield, two days before the hearing, on the subject of ETA's consultation groups. At that meeting, the Under Secretary agreed to:

A. Appoint a veterans service organization representative to each of the five consultation work groups: Role of Government, Clients/Targetting, Service, Financing, and Coordination.

B. Establish a special Employment Service policy task force as an adjunct to the Secretary of Labor's Committee on Veterans Employment, as authorized by 38 USC 2010.

By these actions, we are reasonably satisfied that the veterans organizations will become a full and equal partner in the consultation process. Perhaps more importantly, the effects of any policy change on veterans services in the Employment Service should assume a high public profile, rather than being swept aside as has been the case with other ETA program redesigns. We will keep the Subcommittee informed of our progress.

- - - - - - - - - -

Q 2. You mentioned the possibility of a proposal to subsume the employment service under JTPA. Has this been tried, or is it being tried now and what are the results, especially regarding services to beterans and veterans preference?

. . . .

A. 2 The State of Indiana has recently attempted to combine the resources of its Job Service and Job Training Partnership Act programs in order to facilitate coordination between employment training and labor exchange activities. Unfortunately, we have no information about the possible effects of this administrative change upon veterans preference. I have discussed this matter with Assistant Secretary Don Shasteen, and he has indicated that he will look closely at the arrangement.

Our reference in written testimony to the subsumption of the Job Service to JTPA actually pertained to a possible national policy option. Given JTPA's poor record of service to veterans, and its relative "untouchability," The American Legion has a serious concern about such an option.

- - - - - -

Q 3 In your prepared statement, you indicated that probably no more than a dozen training programs for veterans have been developed nationwide under both Title IIa and Title III of the Job Training Partnership Act.

Do you know or certain how or if Title IIa and Title III programs are serving veterans? How would you characterize the information or lack of information that's available on JTPA and veterans?

A. 3 There has been a persistent problem in obtaining statistics on veterans participation in JTPA. This spring, for the first time, the Department of Labor was able to furnish, on a one-time basis, some general numbers on veterans participation in JTPA Title IIa and III programs. According to the Department's statistics, 9.1 percent of all Title II participants were veterans. By way of comparison, veterans constitute about 17 percent of the labor force in the United States. Veterans are faring better under Title III, comprising 21 percent of all participants. This ~~is below,~~ however, Bureau of Labor Statistics estimates, which indicate that veterans make up 25 percent of all dislocated workers as of January 1985.

In our opinion, the Labor Department has the authority to collect statistics on veterans, using present data collection procedures. Unfortunately, we have received no indication from the Department that it is willing to do so.

Chairman Daschle to Alan Lafferman, assistant director, ICESA

ICESA
INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.
SUITE 126, 444 NORTH CAPITOL STREET, N.W., WASHINGTON, D.C. 20001, 202/628-5588

August 18, 1986

Mr. Tom Daschle, Chairman
Subcommittee on Education, Training
and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Daschle:

In response to your letter dated July 17, 1986, the responses (see attachment) are provided to your questions, in conjunction with the Subcommittee hearing held July 16, 1986.

Sincerely,

Alan Lafferman

Alan Lafferman
Assistant Director

Attachment

AL:mlp

Testmony.A18

Attachment

1.Q Many of your members have major reservations about devolution. Could you on their behalf, describe those concerns for us. Why specifically is there concern among some of your members?

Are veterans preference in service delivery and development mutually exclusive, or can veterans preference in service delivery be maintained if devolvement were to occur? In your opinion, how could veterans preference be maintained?

1.A The Interstate Conference will not develop a final position regarding devolution, until a legislative proposal is formalized. The concept has, potentially, so many variables that to speculate on a position at this time is inappropriate. However, as we stated in our testimony before the Subcommittee, some of our members have major reservations about the basic concept of transferring the administrative taxing responsibility from the Federal Government to the States. There is concern that the politics involved with State taxing decisions, and the competing environment for limited State revenues may eventually affect the Employment Service Program and priority services to veterans.

We do not wish to imply that devolution would automatically reduce or eliminate the ES, and effective services for veterans in the States. Certainly, under a devolution-type of approach, legislation could be very specific regarding the need for a statewide labor exchange system and that veterans services are a prioritized part of that system. However, it would appear that the Federal Government would have to retain some degree of authority over the States to ensure that these important programs are supported by the States. This will be difficult, since the States will be the taxing authority and not the Federal Government. Federal sanctions would be difficult, if not legally impossible, to formulate and impose.

2.Q There is widespread and understandable confusion about validity generalization, or V.G., as it is known.

To begin with, there's confusion about what "V.G." means. Does V.G. mean that the GATB results are a generally valid indicator of job performance for most jobs? What does "V.G." mean?

2.A The Interstate Conference is not in the best position to provide a technically-based description of the program or its relationship to the GATB. We defer to the U.S. Department of Labor for a comprehensive description, since it is the Department that initiated, tested, and promoted the Project, through the Federally funded Test Research and Development Centers.

3.Q In some cases, the use of V.G. has meant a new operational system which includes mass testing. There is some concern that mass testing can adversely effect the services provided to veterans. How would you respond, paying particular attention to the services provided by disabled veterans outreach program specialists and local veterans employment representatives.

Are veterans preference and V.G. mutually exclusive? What, if your opinion, would be the minimum requirements needed to assure the continuation of veterans preference in service delivery and the use of V.G.?

3.A The Interstate Conference supports continued experimentation of Validity Generalization testing. As we stated in our testimony, "VG has the potential to substantially increase the involvement of the private sector in Employment Service Programs." However, the following critical areas must be addressed by the Department of Labor and formally communicated to the States, as expeditiously as possible, so that State Employment Security Agencies can move vigorously to meet growing employer demand for the Program:

(a) Providing guidance to State Employment Service Agencies on the procedures that should be employed to ensure that the provision of services under VG is in accordance with the veterans preference mandates of Title 38, USC, Chapters 41-43, and supporting regulations.

(b) Providing guidance to State Employment Service Agencies on the procedures that should be employed to ensure that handicapped individuals are not discriminated against under VG.

(c) Analyzing the basic VG Program, and recommended implementation procedures, to determine if there is reverse discrimination in the Program. The results of this review must be formally communicated to the States.

Over the past year, these issues have been repeatedly raised with DOL officials; however to date, no response has been received.

4.Q You commented on the lack of effort made by the Department of Labor to encourage State Job Training Partnership Act Councils and Private Industry Councils to address veterans employment and training needs.

Is there any logical explanation for this failure of the Department? Why would DOL not take advantage of the opportunity to encourage addressing the special employment and training needs of veterans under either Title 2A or Title 3?

4.A We cannot speculate on the reason(s) why the Employment and Training Administration of the Department of Labor does not address the employment and training needs of veterans through JTPA. It is important to note that Title 38, USC, Chapter 41 provides the Secretary of Labor with adequate authority to more directly involve JTPA in serving veterans.

5.Q In your testimony, you stated that the funding for DVOPs and LVERs is insufficient. We were able to rescue most of the staff last year and it appears there may be trouble again in fiscal year 1987.

In your view, what will be the impact on the quality of services to veterans if DVOPs and LVERs are not adequately funded?

5.A When funding for DVOPs and LVERs is not adequate, the special employment and training needs of veterans cannot be adequately met. Specifically, veterans outreach would dramatically suffer, as wel as the special placement efforts and programs of coordination with state and local support facilities.

It is important to recognize in this regard that with the continued reduction of base ES funds, the quality of services to veterans will greatly diminish, regardless of the level of DVOP and LVER funding. The basic ES grant provides the funds necessary for counseling, testing, automation, facilities--the entire infrastructure of services required for DVOPs and LVERs to adequately function.

The emphasis on quality services for veterans must first be directed to the adequacy of funding for the basic ES System, and then to the sufficiency of specialized veterans staff.

6.Q Regarding the Federal Contractor Job Listing Program, since your members are in constant contact with employers, what efforts have you made to familiarize those employers with their responsibilities to veterans?

6.A ES agencies formally communicate with identified Federal contractors, and in most instances follow this up with personal visits. However, in many instances the contract is over or close to being so when we are first notified. Further, as we stated in our testimony, contractors seemed to be first learning of their responsibilities under Sect. 2012 from our staff. There must be a better system to ensure that contractors fully understand their responsibility at the time of the award.

Testmony.A18

CHAIRMAN DASCHLE TO DENNIS M. CULLINAN, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VFW

VETERANS OF FOREIGN WARS OF THE UNITED STATES

OFFICE OF THE DIRECTOR

August 4, 1986

The Honorable Tom Daschle, Chairman
Subcommittee on Education, Training
and Employment
Veterans' Affairs Committee
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Kindly find enclosed responses to questions which time did not allow you to ask at the recent hearing of the Subcommittee on Education, Training and Employment with respect to reviewing employment and training programs for veterans administered by the Department of Labor.

With best wishes and kind regards, I am

Sincerely yours,

Dennis M. Cullinan

DENNIS M. CULLINAN, Assistant Director
National Legislative Service

Enclosure
DMC/daa

★ WASHINGTON OFFICE ★
VFW MEMORIAL BUILDING ● 200 MARYLAND AVENUE, N.E. ● WASHINGTON, D. C. 20002 - 5799 ● AREA CODE 202-543-2239

QUESTIONS AND ANSWERS

QUESTION #1. On page 8 of your statement, you express a very serious hypothesis. That is that an Administration short-term goal is a reduction in staff and programs provided to veterans and that a long-term objective may be the elimination of the Office of Assistant Secretary of Veterans' Employment and Training.

You heard the Department of Labor's response. Would you like to comment further?

ANSWER #1 The Heritage Foundation, in a publication entitled "Mandate for Leadership Policy Management in a Conservative Administration," edited by Mr. Charles L. Heatherly, states on page 1078 that, "There are areas of the government that are statutorily beyond the authority of the President to intervene by Executive Order, such as by the administration of the independent agencies in the requirements of the Administrative Procedures Act. In these fields the President must act primarily through the appointment of persons who share his philosophy and will take some policy direction." On page 1086, in the paragraph entitled Government Reorganization, it is said "The stated goals of abolition cannot be accomplished without an act of Congress, however, it is possible to remove all or most of the personnel and functions from a given organizational unit, thus making it much more amenable to control, dispersal, and eventual elimination."

The Veterans of Foreign Wars, being aware of this, is concerned that:

> The Office of the Assistant Secretary for Veterans' Employment and Training Services (OASVETS) managerial and key advisory staff are primarily political appointees. We suggest that the Deputy Assistant Secretary for Veterans' Employment and Training, in order to provide continuity, as well as stability, to VETS programs should be a veteran, career reserve senior executive service employee, and that Special Assistant be veterans and career civil servants.
>
> In an OASVETS memorandum, dated July 1, 1986, entitled Elements and Standards and addressed to the National Office of Veterans' Employment, Reeemployment and Training staff and Regional Directors, standard number IV entitled Programmatic Policy Development and Implementation, it is stated performance is satisfactory when, "except in those instances involving routine or purely technical information of a noncontroversial nature all communications with members of Congress or their staff or with representatives of veterans' service organizations or other public interest groups are cleared in advance with the Deputy Assistant Secretary for Veterans' Employment and Training."
>
> The OASVET's tardiness in the development of regulations to support the Federal Contract Job Listing Program will result in useful data not being provided until 1988. In view of the fact that special emphasis on Vietnam veterans expires in December 1991, the regulations are viewed as largely ineffective and a paper irritant to public sector employers.

ASVET field staff have not been provided a Technical Assistance Guide/Field Operations Manual, nor have they benefited from a realistic training program. As contained in our testimony, ETA and VETS are traversing diverging paths. The goals and objectives of the two agencies do not reflect the close liaison and coordination necessary to ensure veterans' priority of service.

Discussion groups formed by the Employment and Training Administration to consider policy options, as originally formulated, did not contain representatives from the veteran organizations and only after insistence were veterans invited to participate.

The Employment Service is considering administrative reform, placing increased emphasis on state involvement, management and operation of the Employment Service. The basic Wagner-Peyser Act does not contain any provisions for priority of services to veterans. Recently, ICESA indicated that "There will never be consistency of application of veterans' priority of referral throughout the Employment Service." The OASVET has been reactive, not proactive, in communicating the need for consistent veterans' priority of referral.

In spite of the fact that veterans represent 37 percent of the dislocated workers in our country, the veteran participation rate in Title III JTPA was only approximately 19 percent during the first quarter of program year 1985. Secretary Brock, March 27, 1986, stated, "It is reasonable to expect the veteran participation in Title III will be maintained at about the same proportion of total enrollment up to this point." An Executive Director of a Private Industry Council, appearing before a Committee on Disabled Veterans Forum stated that his Private Industry Council was not providing services to veterans in the proportion they are represented within the community and if veterans were to be served it would require legislative and administrative direction. He further indicated there was a barrier between his service and the veteran community.

The JTPA Title IVC program, administered by OASVET is determined by formula contained in the Job Training Partnership Act. The funding provided in accordence with this formula has been grossly inadequate for national veterans employment and training programs. Legislative attempts to modify this has been resisted. The limited resources available have not been prioritized nor targeted

The LVER/DVOP Programs, again in the FY-87 budget, is seriously underfunded, by $7 million. The FY-87 level requires a decrease in staffing of an estimated 213 LVERs. On page ASVET-11 of the FY-87 Budget Overview it states that, "The number of LVER positions associated with this request was determinied by dividing the amount available by the FY-87 estimated average cost per staff year." This indicates that OMB is dictating a reduction of LVERs through the budget process. Discussions have taken place within DOL concerning the combining of the LVER function with that of the DVOP. This could, if implemented, result

> in the loss of 1,300 or more service providers. The OASVET is conducting a field survey to determine "demonstrated lack of need." At a recent management meeting with DOL Regional Directors, included on the agenda was how to implement a 20 percent budget reduction and a discussion of DOL goals and objectives that do not include reference to veterans.
>
> The OASVET "in the interest of economy" has withdrawn from participating in veteran employment discussion groups such as that maintained by ICESA. VETS participation is delegated to State Directors. This will preclude any consistent direct national program/policy level dialogue with major Employment Service organizations. As a minimum, a national VETS staff member must represent the OASVET to ensure continuity of direct national input to major veterans organizations and the Employment Service representatives. This involvement will assist in overcoming the apparent lack of coordination that currently exists.

In summary, it is our contention that there has been a gradual, prolonged deemphasis of veterans' programs within the Department of Labor. The erosion of staff, inadequate funding, lack of stategic planning, and ETA decentralized planning and operations provides sufficient indicators to support our position.

QUESTION #2 Your testimony clearly reflects a concern that much more can be done and should be done to emphasize private sector awareness of veterans employment and training programs and policies. What specific action should be taken and by whom?

ANSWER #2 The ASVET, as the congressionally mandated advocate for veterans, must assume a national leadership role in all veterans' employment and training issues.

> In view of the Bureau of Labor Statistics First Time Study on Disabled Veterans, released March 31, 1986, the ASVET should conduct a longitudinal study to determine specific needs of the veteran community, utilize this information to prioritize his activities and allocate his limited resources accordingly.
>
> The ASVET must begin an aggressive public information program; establish a speaker's bureau; develop talking papers and video tapes that can be exported through private sector employer/personnel officer organizations, labor unions, veteran organizations as well as his field staff.
>
> In view of the stated policy of the Secretary of Labor in targeting JTPA resources, the Assistant Secretary for Veterans' Employment and Training should initiate efforts to infrom the Governors and Service Delivery Areas of the need to target veterans in their planning process. The OASVET should stress the necessity for them to include instructions and programs to address veterans' employment and training.

The Assistant Secretary for Veterans' Employment and Training should conduct periodic national/regional forums addressing veterans' employment and training issues.

The Assistant Secretary for Veterans' Employment and Training should fill his Public Information Specialist staff position with a veteran who should design, coordinate, implement, and maintain an awareness campaign on behalf of the Assistant Secretary. The OASVET should coordinate activities and programs for veterans, and at the local level he should emphasize consolidation of interagency services and referral systems.

QUESTION #3 V.G. or validity generalization is currently a pilot program, but it is being used in some 35 states. That is a substantial pilot program. If V.G. were to become used customarily by employment service offices, what specifically should be done to insure that veterans preference is not diminished or lost in job referrals and the opportunity for employment?

ANSWER #3 The controversial nature of Validity Generalization (VG), the lack of standard definition of veterans' priority of referral and inadequate dissemination of regulations to ensure that veterans' priority is followed have prohibited the Veterans of Foreign Wars from endorsing Validity Generalization.

The Department of Labor must formally request, from the Department of Justice, a formal opinion pertaining to the reverse discrimination issue created by the special conversion tables currently in use for minorities tested in VG.

A legislative amendment to Wagner-Peyser is required to reestablish veterans' priority of referral as a mandate, not as a regulatory requirement as currently established in the Code of Federal Regulations.

The Employment and Training Administration (ETA), in coordination with the Office of the Assistant Secretary for Veterans' Employment and Training, be required to clearly demonstrate that VG enhances employment services to veterans, specifically disabled and minority veterans, and clearly define the term veterans' priority of referral.

ETA, in coordination with the OASVET must issue specific regulations concerning all facets of Validity Generalization and the services provided to veterans, specifically the disabled.

ETA, in coordination with the OASVET, develop a mechanism to ensure priority of referral is maintained in the use of private placement agencies.

We are convinced that the OASVETS consist of sincere, dedicated professional staff and the VFW is prepared to work with them to plan and implement programs designed to enhance veterans' employment and training.

○